



Daily Report

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General

UN Meeting on Least Developed Countries Opens

OW0309191390 Beijing XINHUA in English
1750 GMT 3 Sep 90

[Text] Paris, September 3 (XINHUA)—The second United Nations conference on the least developed countries opened here at the UNESCO Headquarters.

The meeting, which is scheduled to last through September 14, will review the economic situation of the least developed countries in the past decade and work out a program of action to help these countries deal with their economic difficulties.

Representatives of more than 100 U.N. organizations and U.N. member nations, including the head of state or government of eight countries, together with those of over 20 international organizations and some governmental or non-governmental groups, were present at the opening ceremony.

The Chinese Government has dispatched a delegation headed by Mr. Wang Wendong, the vice minister of foreign economic relations and trade, to participate the event.

U.N. Secretary-General Javier Perez de Cuellar opened the conference by saying that the present economic situation in the least developed countries requires these countries to apply their human, material and financial resources more effectively, and to adopt economic reforms to promote national economic development.

The U.N. chief also urge the international community, especially the developed countries, to provide the least developed countries with sufficient and effective financial aid.

Also speaking at the ceremony was French President Francois Mitterrand, who stressed the importance of cooperation between the least developed countries and the developed countries, and called upon the Western countries to increase their assistances to the Third World countries.

Li Peng Hails Conference

OW0309114990 Beijing XINHUA in English
1111 GMT3 Sep 90

[Text] Beijing, September 3 (XINHUA)—Chinese Premier Li Peng said today it is "an urgent and pressing issue" for the international community to develop the economy of the Third World countries.

In a message congratulating the opening today of the second U.N. Conference on the least developed countries, Li said "It is a task of top priority to reverse the deteriorating economic and social situation of the least developed countries, and to revitalize and accelerate their economic growth and development."

"This task requires the joint efforts of the international community," he said.

Li also expressed his wish that the conference, which is to last through September 14 in Paris, "will make great contribution to helping the least developed countries in their efforts to embark on the road of sustained growth and development."

"China, being a member of the Third World, has always demonstrated its deep sympathy for the difficulties encountered by the least developed countries," Li said, adding that his country "will continue to strengthen and expand" its economic and technical cooperation with these countries.

PRC Aid Explained

OW0409154390 Beijing XINHUA in English
1518 GMT 4 Sep 90

[Text] Paris, September 4 (XINHUA)—Chinese Vice Minister of Foreign Economic Relations and Trade Wang Wendong reiterated here this afternoon the principles guiding China's aid to foreign countries.

Wang Wendong, head of a Chinese delegation to the second U.N. conference on the least developed countries, which opened here yesterday, said the gist of these principles is as follows:

First, aid provided by China "is a matter of mutual help among 'poor friends'" and China "never regards such aid as a kind of unilateral alms."

Second, China "scrupulously respects the sovereignty of the recipient countries and never attaches any strings, asks for any privileges or interferes in the internal affairs of the recipient countries."

Third, emphasis in China's aid projects "is always put on the economic and social effectiveness so as to help the recipient countries embark step by step on the road of self-reliance and independent economic development."

Fourth, China's preferential assistance is provided in accordance with its capabilities.

Following these principles, Wang said, China has "established good cooperative relations with the least developed countries" and China's aid projects have "played a positive role in promoting the development of the recipient countries' economy."

China is still at a low level of its economic development, Wang noted. However, he said, aid provided by China, though limited, "is a demonstration of the good will of the Chinese Government and people for a sincere cooperation and common development with the least developed countries."

He pledged that China, with the increase of its national economic strength, will continue its aid to the least

developed countries within its capabilities and expand the scale and forms of its cooperation with these countries.

He said that the Chinese Government is willing to "explore, together with other countries, international organizations and international financial institutions, the possibilities of joint assistance to the least developed countries through multilateral cooperation and a combination of multilateral and bilateral cooperation with them."

He called upon other countries "to work together to make positive contributions to the betterment of the economic situation of the least developed countries and the world's peace and development."

More Aid Urged

OW0409180790 Beijing XINHUA in English
1739 GMT 4 Sep 90

[Text] Paris, September 4 (XINHUA)—Chinese Vice Minister for Foreign Economic Relations and Trade Wang Wendong called here today the international community to provide more assistance to the least developed countries.

Speaking at the second U.N. conference on the least developed countries, which opened here yesterday afternoon, Wang Wendong said the least developed countries should bear the primary responsibility for the development of their own economies.

However, the head of a Chinese delegation to the meeting said, in a world of interdependence, a favorable external environment and adequate support from international community are "essential for the success of their development efforts."

While expressing his appreciation for the efforts by these countries in the past decade for their economic development, Wang noted that due to the vulnerability of their economies, these efforts "were more than offset by the adverse impacts of both natural disasters and the external economic environment."

Cited the "falling commodity prices, worsening terms of trade, mounting protectionism and stagnated official development assistance" as major external elements that hit the economies of the least developed countries badly.

Consequently, Wang said, the economic situation of these countries continued to deteriorate in recent years instead of being improved.

The Chinese official said that lessons should be drawn by identifying the causes for the under-implementation of the program of action for the 1980's adopted at the first U.N. conference on the least developed countries, and that the new demands of the least developed countries for the 1990s should be taken into account so as to formulate a practical new program of action.

The Chinese delegation, he said, hopes that consensus could soon be reached on the following aspects to ensure the completion of the formulation of a new program of action for the 1990s:

1. Creating the financial flows to the least developed countries. It is necessary to provide for the attainment of the agreed assistance target of 0.15 percent of the developed donor countries' gross national product (GNP).
2. Alleviating the debt burden to promote economic development. The solution to the debt problem should be oriented towards the revitalization of the economic growth and development of the least developed countries while at the same time enhancing their debt-servicing capacity.
3. Promoting diversification of exports and improving access to markets. In accordance with the relevant resolutions, differential and more preferential treatment should be granted to the exports of the least developed countries.

The Chinese official said the Chinese delegation believes that the difficulties of the least developed countries should be taken into full account in the negotiations, and an agreement on the above-mentioned aspects should be reached as early as possible.

The least developed countries' sovereign rights should be fully respected with regard to their development model and development strategy, Wang said, adding that the road a country takes, the development strategy and economic model it decides upon should be based on its historical and present imperatives as well as its people's will.

Either in formulating the program of action for the 1990s or in assisting the least developed countries in their economic development, the Chinese official said, "It is of first importance to respect their sovereign rights, including the right to choose their own political, social and economic systems as well as their development models, objectives and priorities."

U.S. Change in Cambodian Policy Viewed

HK3108135490 Beijing SHIJIE ZHISHI in Chinese
No 16, 16 Aug 90 pp 2-3

[Article by Ru Wen (1172 2429) on 29 July: "U.S. Wishful Thinking Over the Cambodian Issue"]

[Text] On 18 July, U.S. Secretary of State Baker announced at a press conference, held at the residence of the U.S. ambassador to France, that the United States had already "modified" its policy on the Cambodian issue. The main points were: First, the United States will begin a dialogue with Vietnam over the Cambodian issue. Second, it will increase humanitarian aid to Cambodia and Vietnam. Third, it will no longer support the Coalition Government of Democratic Kampuchea in retaining its seat in the United Nations. Fourth, it will

continue to support Cambodia's non-communist resistance forces, namely Son Sann's Khmer People's National Liberation Front and Prince Sihanouk's National Army. In addition, the United States claimed not long ago, that it would hold a dialogue with the puppet Cambodian Government in Phnom Penh over the question of holding a general election in Cambodia. It also announced that it would implement a new plan to provide relief to Cambodian children.

The sudden change in the U.S. policy toward Cambodia have fallen short of the expectations of all sides in Democratic Kampuchea and all ASEAN countries, thus adding new complex factors to the comprehensive and political solution of the Cambodian issue.

The United States chose to announce the change of policy toward Cambodia after the meeting of permanent members of the UN Security Council in Paris, and before the Meeting of ASEAN Foreign Ministers and the ASEAN Annual Meeting, because it wanted to exert influence in the course of finding a solution to the Cambodian issue by creating a preconception. Initially, it appears that the United States has taken into consideration the following before making that move: First, it wants to direct the major spearhead precisely at the Khmer Rouge. For a long time, the United States has had three set objectives for its Cambodian policy, namely pressing Vietnam for troop withdrawal from Cambodia, preventing the Khmer Rouge from gaining power again, and bringing "just and free" general elections to Cambodia. At present, the United States holds that the problem of Vietnam's troop withdrawal from Cambodia has basically been resolved, while the strength of the Khmer Rouge is increasing daily, and that therefore in resolving the Cambodian issue, the emphasis should be shifted to preventing the Khmer Rouge from gaining power. Second, as the U.S. Congress interim election is drawing near, the ruling Republican Party will have to consider how the Congress intends the policy to be. Now members of the Democratic Party are vigorously forcing the Bush administration to stop support for the Coalition Government of Democratic Kampuchea. The week before Baker announced the decision, the Senate Majority Leader George Mitchell and 10 other senators wrote a joint letter to Bush, urging the government to reject any solution proposal "that would enable the Khmer Rouge to play a role in Cambodia in the future or that would increase the probability of its military victory." Before this, the Intelligence Committee of the U.S. Senate had already decided to stop the \$20 million in annual secret and open aid to Sihanouk's and Son Sann's parties. Third, the United States intends to show that it is in accord with the Soviet Union in handling regional issues. As U.S.-Soviet relations are relaxing, the Soviet Union has been making concessions to the United States in Europe, and especially on the issue of Germany, and has also shown itself flexible over the Cambodian issue. This gives the United States more room for maneuver in pursuing its Cambodian policy. The United States changed its attitude toward Cambodia as a reward

for the favors that the Soviet Union has done it. Moreover, it also shows in the gesture, that it intends to coordinate policies with the Soviet Union over regional issues. In fact, in isolating and dealing blows to the Khmer Rouge, the United States and the Soviets have definite common interests. People have noted that before Baker announced the decision, he had met with Shevardnadze in Paris for over two hours; and that when Baker was convening the press conference Shevardnadze was sitting by his side. Shevardnadze said that the two countries were "more in agreement" in handling the Cambodian issue. Fourth, the United States wants to use the opportunity to play a leading role in solving the Cambodian issue. For a long time, in seeking a solution to the Cambodian issue, ASEAN has kept itself busy on various occasions. Recently, Australia also proposed that before the general election is held in Cambodia a provisional government be set up for the sake of temporary trusteeship. Even Japan attempted to convene a meeting in Tokyo this June to seek peace in Cambodia. In these circumstances, the United States was no longer content with being on the "second front" by giving aid only. Therefore it tried its best to make its role stand out, and interfered in the Cambodian issue directly. Fifth, it is roping in Vietnam. The United States and Vietnam do not have diplomatic relations, and their contact is only limited to the areas of discussing refugees and finding missing American soldiers. In view of this, the United States feels that its influence on the Cambodian issue is limited. Seeing that Vietnam has been creating an atmosphere for the restoration of U.S.-Vietnam relations in order to put an end to its isolation from the rest of the world, the United States will naturally take the opportunity of Vietnam's asking help to seek to increase its influence on Vietnam and Cambodia through dialogue; and to cause the course of finding a political solution to the Cambodian issue to be favorable to itself.

In the long run, we cannot rule out the U.S. intention to "return to Indochina."

At present, different countries have made different responses to the U.S. policy change. The day after Baker announced the decision, Sihanouk made a declaration blaming that the United States' softening its stand was a "very serious and unfair move" and was a "reward" for Vietnam's expansionism. He urged the international community not to "unjustly deprive the resistance forces of their seat in the United Nations." He also held that without Khmer Rouge's participation on an equal footing in finding a political solution to the Cambodian issue it was impossible to obtain peace in Cambodia. Son Sann also expressed similar views, and earnestly called on ASEAN to participate in solving the Cambodian issue. While the Soviet Union and Vietnam promptly and openly welcomed the U.S. decision, Britain, France, Canada, Australia and New Zealand also expressed their support. ASEAN countries, however, made strong responses. Both Singapore and Indonesian foreign ministers pointed out that the fact that the United States changed its policy "would not be helpful" to finding

peace for Cambodia. Such being the case, on the Cambodian issue there exist open divergencies among the United States, Australia, Western Europe, and ASEAN, and this has never happened before since the Cambodian issue came up. In order to reinstate its influence, the United States later repetitively claimed that the objective of its basic policy remained unchanged while it was "making tactical modifications only." At the end of this July, Baker hurried to Jakarta and gave explanations to various ASEAN countries, but he could only obtain very little results.

As the UN General Assembly is going to begin sessions soon, relevant countries are stepping up activities over Democratic Kampuchea's seat in the UN General Assembly and over the question of setting up the Kampuchea National Supreme Committee, etc. Generally speaking, it is difficult for ASEAN to agree to the U.S. stand. And it will not be easy for numerous Third World countries to agree to removing Democratic Kampuchea's representation in the United Nations or leaving the seat open. How much the wishful thinking of the U.S. has been realized, as yet still remains undetermined.

Gulf Crisis Impact on Western Economy Viewed

*HK0509110090 Beijing JIEFANGJUN BAO in Chinese
27 Aug 90 p 4*

[Article by Chen Xiong (7115 7160): "Impact of the Gulf Crisis on the Western Economy"]

[Text] After Iraq dispatched troops to invade and occupy Kuwait early this month, the United States and some other Western countries intensively deployed forces in the Gulf region where war clouds were gathering and the situation rapidly became white-hot. This serious crisis in the Gulf region, which is called the world's "oil tank," led to the sharp rise in the oil price. This severely shocked North America, Western Europe, as well as Japan, and the impact of the Gulf crisis on the entire Western world's economy has become more and more apparent.

The Gulf area richly abounds in oil resources. Oil deposits and outputs in the Gulf area holds an important position in the world. The proved oil deposits there reach over 1,000 billion barrels and account for 65 percent of the world's total. The oil deposits in Iraq amount to about 100 billion barrels; that of Kuwait 94.5 billion barrels; that of the United Arab Emirates 150 billion barrels; that of Saudi Arabia 255 billion barrels, thus ranking first in the world. The oil produced in the Gulf countries is large in quantity and good in quality, thus holding a weighty position in the world's oil market. The Gulf is also the most important oil supply base for the Western countries. Each year, 30 percent of the oil imported by the United States, 75 percent of that by Western Europe, and 85 percent of that by Japan comes from the Gulf area. Therefore, whether the normal supply of oil from the Gulf area can be guaranteed is an issue of vital importance for the Western world. At present, a direct consequence of the Gulf crisis is the

continuous rise in the oil price day after day, and this will inevitably affect the economic conditions in the Western countries.

Oil is the blood of the Western economies for their normal operation. The influence of the oil price increase on various economic sectors is self-evident. The daily oil output of Iraq and Kuwait is respectively 3 million barrels and 800,000 barrels. After the Western countries imposed embargo on these two countries after Iraq's aggression, a gap of nearly 4 million barrels of oil per day appeared in the world's oil market. In the United States, the oil price rose from about \$20 to \$31.22 per barrel, and the growth rate was as high as over 30 percent. The oil price has risen to the highest level since November 1985. This has affected the automobile, aviation, transport, house-building, tourist, and banking industries. Although the United States itself is a large oil producing country, it is also the largest oil consumer in the world. It has to import 41 percent of the oil it needs. If the oil price rises by \$10 per barrel, the United States will have to pay an additional amount of \$84 billion each day and pay an additional amount of \$30 billion each year. This will inevitably worsen the trade deficit and produce negative effects on the economy as a whole. Reportedly, the New York stock market slumped again and again in the past weeks. The Dow-Jones Industrial Averages, which shows the average price level of 30 industrial stocks, fell by 76.73 points or by a margin of 17.2 percent, and reached the lowest level since July 1989. Some analysts held that as the oil price continues to stay at the high level, the inflation rate in the United States will rise to 5.2 percent from the originally expected level of 4.75 percent; and the economic growth rate will fall from the previously anticipated level of two percent to 1.5 percent, thus showing a sign of approaching to the brink of recession. This caused a certain degree of panic in all circles of the country from top to bottom. Japan, which has to import 99 percent the oil it needs, will be exposed to more apparent impact of the Gulf crisis. Although the oil Japan imported from Iraq and Kuwait accounted for merely 12 percent of Japan's total oil import and it was not too hard to find substitutes from other countries if Japan boycotts the oil from these two countries, as the world's oil prices abruptly rose by one-third, Japan would have to pay a huge additional amount for oil imports. Being influenced by the Gulf crisis, the Tokyo stock market index of 225 stocks slumped to the lowest point since early 1988. The exchange rate of the Japanese yen and the prices of various Japanese bonds also slumped continually. Even if the oil price stands at the level of \$25 per barrel, Japan's economic growth rate in 1991 will just be 3.6 percent rather than the earlier anticipated 3.9 percent; and the annual inflation rate will rise to 2.8 percent rather than the earlier anticipated 2.1 percent. In Western Europe, due to the influence of the oil price increase, the prices of various stocks in West Germany, Britain, and France fell; and the inflation rates in these countries also rose. It is likely that the economic growth rates in these countries will also fall to a lower level. Some mass media in the West pointed out: If the

oil price continues to rise in this way, the Western economy will be bogged down in a "difficult position" and it is possible that the "stagflation and economic recession" like that in the 1970's will reappear.

Of course, the oil shortage and the oil price increase caused by the Gulf crisis now remain in a degree that can be controlled and tackled by the Western industrial countries. After experiencing the two "oil crises" in 1973 and 1979, the major Western countries all increased their oil reserve in the 1980's. The strategic oil reserve of the member countries of the International Energy Organization reached 142 million tons. In addition, the private institutions also kept 470 million tons of oil reserves.

The oil reserve in the United States can meet the needs of consumption in about 100 days. Japan's oil reserve can be used for more than 80 days. Therefore, the Western country can use their oil reserve to stabilize the oil price if necessary in order to tide over the difficulties. Moreover, the Western countries have urged some OPEC countries to increase their oil production in order to fill the oil supply gap caused by the embargo imposed on Iraq and Kuwait. A few days ago, Saudi Arabia announced that it would increase oil output by 2 million barrels a day; Venezuela decided to increase production by 500,000 barrels a day; and Iran also planned to increase the supply of oil to Asian countries from 400,000 barrels a day to 1 million barrels a day. If the Gulf crisis is not settled in the next two to three months or if the tension continues to escalate or even triggers off a large-scale war, then immeasurable destruction will be caused to oil production and transport in the entire Gulf area. This will not only seriously endanger peace in the Gulf region and in the world as a whole, but will also obstruct or even completely sever the oil supply to the Western countries. It is not hard to imagine the serious degree of the consequences.

Therefore, most countries and the vast majority of people in the world hold and agree that the Gulf crisis should be settled politically in a peaceful way, and hope that Iraq will immediately and unconditionally withdraw all its troops from Kuwait according to the resolution adopted by the UN Security Council. They also demand that the big powers not carry out military interference in the Gulf region so that the crisis can be settled as soon as possible.

Iraqi Asiad Participation Vote Debated

OW0409165690 Tokyo KYODO in English
0929 GMT 4 Sep 90

[Text] Beijing, Sept. 4 KYODO—A top Chinese sports official has proposed that the Olympic Council of Asia (OCA) call off voting on the propriety of Iraq's participation in the Beijing Asiad, OCA sources said Tuesday.

He Zhenliang, president of the Chinese Olympic Committee and vice head of the Asiad Organizing Committee, made the proposal by telex Monday to all OCA

executives and member nations of the National Olympic Committee (NOC), the sources said.

The OCA sent messages signed by Secretary General C.L. Mahta to 38 NOC members August 30, asking whether Iraq should take part in the Beijing Asian Games starting September 22. The deadline for the reply was Thursday.

The reason for He's proposal, the sources said, was because China does not wish to come to an early decision on Iraq's participation and that Beijing is expecting all NOC members to participate in the Asiad.

The sources also said Iraq's NOC sent a note to OCA vice presidents condemning the poll and requesting the OCA to hold an extraordinary session prior to the Asiad.

They said a top Iraqi NOC official now visiting Beijing told the Asiad organizers that despite attempts by other Gulf countries to exclude Iraq from the games, Baghdad will send its delegation in accordance with the OCA charter.

In Tokyo, the Japanese Olympic Committee (JOC) held an emergency meeting Monday. JOC officials said the majority of the attending directors were suspicious of the validity of the questionnaire.

The officials said they are not certain of the legality of the enquiries as they were not issued by the bureau meeting of the OCA. The bureau serves as the de facto executive panel, and is where the OCA announcements normally come from.

They said the inquiry consisted of yes or no questions asking if the sanctions approved by the United Nations Security Council against Iraq affects Baghdad's participation in the Beijing Asiad.

The JOC's stance will be decided Thursday at its directors' meeting, but it is not clear if they will simply answer with a yes or no, the officials said.

Hironoshin Furuhashi, president of the JOC said, "the outcome (of the Iraqi issue) is unpredictable, but there may be a time when it becomes necessary to take united measures."

Song Jian Discusses Environmental Issues

OW0409132490 Beijing XINHUA in English
1142 GMT 4 Sep 90

[Text] Beijing, September 4 (XINHUA)—Chinese State Councillor Song Jian said here today that China is trying its best to strengthen environmental protection.

Song was meeting with visiting U.N. Deputy Secretary General and Executive Director of the United Nations Environmental Protection (UNEP) Bureau Dr Mostafa Tolba.

Song, who is also minister in charge of the State Science and Technology Commission, agreed with Tolba that

environmental and political policies can not be divorced and the common interests of environment are shared equally by all countries no matter what their political systems and even when they are in conflict with each other.

Before the meeting, Qu Geping, general director of the State Administration of Environmental Protection, gave a reception in honour of Tolba.

Qu said that Tolba's greatest contribution to global environmental protection is his theory of promoting economic development without destroying the environment.

He paid high tribute to Tolba for his efficiency as an executive director of UNEP.

Qu said that now all the Chinese people are paying great attention to environmental protection and are trying to realize a coordinated development of the economy, society and the environment.

On his fifth visit to China, Tolba arrived in Beijing yesterday. During his seven-day stay he will go to Zhejiang and Anhui Provinces for inspection of environmental protection projects.

Soviet Union

Potential of Sino-Soviet Ties Examined

OW0509075690 Beijing BEIJING REVIEW in English No 36, 3-9 Sep 90, pp 8-12

[Article by Gu Guanfu and Chun-tu Hsueh: "Sino-Soviet Ties Grow Steadily"]

[Text] The normalization of Sino-Soviet ties, initiated by Soviet leader Mikhail Gorbachev's China trip last year and pushed forward by Chinese Premier Li Peng's return visit to Moscow this year, has progressed steadily in political and economic and cultural areas, drawing worldwide attention.

Realistic Sino-Soviet Ties

Over the past four decades, Sino-Soviet relations have undergone many twists and turns. In the 1950s, China and the Soviet Union formed an alliance. But in the following decade, the alliance collapsed, followed by sharp hostilities in the 1970s.

In the 1980s, tensions in Sino-Soviet relations began to ease, and last year the two big neighbours normalized their links. By drawing from historical lessons, both sides have taken a realistic attitude towards the problems in their relations. As Chinese senior leader Deng Xiaoping put it: "We end up the past and open up the future." This attitude has quickened the process of normalization.

The development of ties during the past year showed that both sides have come down to earth in dealing with bilateral relations:

1. Economic relations have taken priority and have developed rapidly. Last year, Sino-Soviet trade volume totalled 2.4 billion roubles (US \$3.8 billion), a 20 percent increase over the year before, and this year it is expected to increase 36 percent. Last year's trade volume was 17 times that of 1981 (US \$220 million).

During Premier Li's Moscow trip, the two sides signed six agreements:

- The Long-term Co-operation and Development Programme of Economy, Science and Technology between the People's Republic of China and the Union of Soviet Socialist Republics;
- The Co-operation Agreement on Peaceful Use and Studies of Space Between the Government of the People's Republic of China and the Government of the Union of Soviet Socialist Republics;
- The Agreement Between the Government of the People's Republic of China and the Government of the Union of Soviet Socialist Republics on Mutual Reduction of Military Forces in the Sino-Soviet Border Areas and Guiding Principles of Enhancing Trust in the Military Fields;
- The protocol on Consultations Between the Foreign Ministry of the People's Republic of China and the Foreign Ministry of the Union of Soviet Socialist Republics;
- The Agreement Between the Governments of the People's Republic of China and the Union of Soviet Socialist Republics on Governmental Credit for Daily-use Commodities Provided by China to the Soviet Union;
- The memorandum Between the People's Republic of China and the Union of Soviet Socialist Republics on the Construction of a Nuclear Power Plant in China and a Soviet Government Loan to China.

Among the above agreements, two-thirds were related to economic, scientific and technological co-operation.

The agreements have widened the scope of economic co-operation. The fact that the two countries, with economies that complement each other, decided to extend loans to each other is a reflection of their economic potential. This kind of co-operation is equally fair, beneficial and satisfactory.

2. A positive attitude to remove military confrontation on the border exists. China's national security is, in fact, threatened by the Soviet Union with its superior military forces. China, which has consistently kept an eye on the situation, made the withdrawal of Soviet troops from Sino-Soviet borders, including Sino-Mongolian borders, one of the preconditions for normalizing relations.

The Soviets said they would cut 200,000 troops in Asia and withdraw three-quarters of their troops from Mongolia during 1989 and 1990. But the problem has not

been completely resolved. It was one of the main topics when the two sides exchanged senior visits. Because the border issue is linked closely with the full normalization of relations and genuine political trust, teams of diplomatic and military experts from China and the Soviet Union are now discussing the situation.

3. There should be no ideological obstacles to the development of state relations. The rift in Sino-Soviet relations was caused by ideological differences. Learning from the past bitter experiences, the two sides have now managed to avoid interfering in each other's internal affairs and no longer use harsh language that would hurt bilateral relations.

Last year, the international situation changed dramatically and both the Soviet Union and China were confronted with domestic difficulties. The two nations have their own views on the world situation and have tried to find ways to resolve their problems in line with their own concrete conditions. Some Western scholars had said that an ideological dispute between Beijing and Moscow would erupt again, but their prediction failed to come true. Sino-Soviet relations continue to develop. When answering questions from Soviet journalists this year, Premier Li Peng said: "The socialist road needs to be continuously explored. The Soviet Union has its pattern and China has one too. This poses no obstacles to developing normal state-to-state and party-to-party relations."

Last year's Sino-Soviet Joint Communiqué stated: "Their differences on certain matters should not stand in the way of progress of bilateral relations."

Ties Based on Principles

The normalization of Sino-Soviet ties marked a new page in the history of the two countries. The two neighbours decided to establish a "new type of relations" and set principles that would be mutually observed for realizing this relationship, as highlighted by the Sino-Soviet joint communiqué issued during Gorbachev's visit to Beijing last year.

1. The Five Principles of Peaceful Coexistence guide state-to-state relations. China is one of the five founding states of the five principles, which are mutual respect of sovereignty and territorial integrity; mutual non-aggression; non-interference in each other's internal affairs; equality and mutual benefit and peaceful coexistence. China has insisted constantly that the five principles should apply to relations between socialist countries. As Deng Xiaoping has repeatedly point out, "The Five Principles of Peaceful Coexistence are the best way to handle state-to-state relations. Other practices, such as 'one big family,' 'bloc politics' or 'spheres of influence,' will lead to confrontations on the international stage. The history of international relations has shown that the Five Principles of Peaceful Coexistence are the most enduring principles, full of vitality. It has been found

that compliance with the principles can eliminate the hot spots or flash points in global disputes."

In the past, Moscow emphasized the biased "internationalist principle" and carried out the "theory of Moscow centre" and the "theory of socialist big family," violating the sovereignty of other socialist countries and interfering in their domestic matters. Under such circumstances, Sino-Soviet relations worsened.

Thus, when the two countries began normalizing relations, the Five Principles of Peaceful Coexistence became the principles that must be observed by both sides in a bid to guarantee the normal development of relations. The joint communiqué was explicit: "The two sides stated that the People's Republic of China and the Union of Soviet Socialist Republics would develop their relations on the basis of the universal principles guiding state-to-state relations, namely, mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit and peaceful coexistence."

2. State-to-state relations are based on good neighbourliness and mutual trust. China and the Soviet Union are neighbouring countries sharing more than 7,000 kilometres of borders. Being on good terms is vital to their relations.

Late in the 1960s, the Soviet Union began increasing troops along the Sino-Soviet border and frequently held military manoeuvres using China as its imaginary enemy. The actions resulted in border conflicts and strained relations. But now, both sides have decided to pursue a principle of good neighbourliness by eliminating military hostility on the borders, settling disputes over territorial sovereignty and opening and developing various exchanges and contacts in border areas. Judging from the past year, China and the Soviet Union have basically restored good neighbourly relations.

3. Four principles guide party-to-party relations. Last year's Sino-Soviet summit meeting not only marked the normalization of state-to-state relations but also the restoration of party-to-party relations. During talks, the two sides discussed the principles that should apply to the handling and development of party-to-party relations. The joint communiqué stated that "the two sides agreed that the Communist Party of China and the Communist Party of the Soviet Union would develop their contacts and exchanges in accordance with the principles of independence, complete equality, mutual respect and non-interference in each other's internal affairs."

The four principles are a sum-up of the experiences of the Communist Party of China gained in establishing and developing relations with foreign political parties and groups and have been written into the party Constitution adopted by the 12th Congress of the Chinese Communist Party.

In the past, the Soviet Communist Party made many mistakes in the international communist movement by issuing orders and treating other socialist parties not as its equals. Party-to-party relations based on the four principles reflect the fact that the two parties have become more mature in their dealings. In the past year, they have exchanged party delegations that have personified the stability and progress of party-to-party relations.

4. Improvement of Sino-Soviet links is not directed against any third country. The joint communique stated: "The normalization of Sino-Soviet relations is not directed at any third country, nor does it harm its interests. The two sides stated that neither side would seek hegemony of any form in the Asian-Pacific region or other parts of the world. Both deemed it essential to denounce the attempt or action of any country to impose its will on others or seek hegemony of any form anywhere in the world."

Engaging in reform, both China and the Soviet Union need a peaceful international environment and, in particular, are eager to improve relations with their neighbouring countries. They will not threaten the interests of any third country. This is also a precondition to guaranteeing the long-term stability and development of Sino-Soviet relations.

Potential of Sino-Soviet Ties

1. Economics. The Sino-Soviet trade volume, though considerably increased compared with one or two decades ago, is only 3.5 percent of China's total foreign trade volume or about 1.5 percent of the Soviet Union's. It is far from reaching the level of the two countries' economic capacity. In 1989, Soviet-Chinese trade volume (US \$3.8 billion) was less than Soviet-Japanese trade volume (US \$6.9 billion) and Soviet-U.S. (US \$5 billion). In objective terms, China and the Soviet Union have many favourable conditions for developing economic relations, namely, their economic structures are complementary—one possesses what the other lacks. Linked by land and rivers, the two countries enjoy convenient transportation. Having a small economic gap, they co-operate easily. Pioneer co-operation in many fields is possible as the two nations pursue policies of reform and opening up to the outside world. Also helpful is the fruitful experience of past cooperation.

In practical terms, Sino-Soviet economic relations are growing. In trade, for example, the Commodities Fair held in June in Harbin in northeast China's Heilongjiang Province led to the signing of contracts worth 1.8 billion Swiss francs (US \$1.2 billion) between China and the Soviet Union and East European countries within 10 days.

Currently, Sino-Soviet economic ties are characterized by multi-channel and multi-level economic, trade, scientific and technological co-operation. In addition to border trade, there are labour exchanges, joint ventures

and project contracts, as well as instruction in technology, processing of supplied materials, the opening of harbours in boundary regions, mutual instalment of stores selling the other country's products, the establishment of trade fairs, tourism and government loans. These measures are helping to broaden economic relations.

The Soviet Union has made ambitious plans to develop Siberia and the far eastern parts of the country. It is preparing to open cities in the region and invite neighbouring countries to join in the building of special economic zones.

China's relevant provinces are also planning to "revitalize frontier provinces by trade" and have mapped an economic development strategy. These plans are conducive to the expansion of economic relations.

2. Further improvement of political ties by settling some problems. First, an agreement to reduce military levels on the border is possible. Governments of the two countries have already reached a preliminary agreement and teams of experts are negotiating the details that will bring about concrete results. Second, the border issue is reported to have made progress satisfying both sides and agreement is expected. There, exchanges have become normal practice and are occurring more frequently. Governmental links as well as non-governmental contacts have developed greatly. This has strengthened the mutual trust and deepened the mutual understanding in the thinking and feelings of both countries.

3. Improvement of Sino-Soviet ties is keeping abreast of the international trend towards detente.

The current bipolar world is evolving into a multipolar world; dialogues in various forms and through various channels are frequent. Countries, big and small, are generally improving their relations and economies have become intertwined. The international division of labour continues to develop. The reduction in military confrontation between the two superpowers has benefitted the peace and development of the world. This climate provides objective guarantees for the normalization and healthy development of Sino-Soviet relations.

Developing Sino-Soviet relations however is a gradual process and is limited by old problems from the past, which require time to overcome. In the over-all strategy of the Soviet Union, its ties with China play only a certain role. While Moscow improves relations with Beijing, it aims to carry out its policy on the Asian-Pacific region, which stress Soviet interests.

Positive Influence

1. Normal Sino-Soviet relations have helped to promote further detente in international relations. First, Moscow quickened its pace in withdrawing from the Third World and abandoned the doctrine of former Soviet leader Leonid Brezhnev (for example, Moscow withdrew Soviet troops from Afghanistan). Second, normal Sino-Soviet

relations have facilitated the improvement of relations between some countries that were affected by Sino-Soviet ties, such as relations between China and India, India and Pakistan, China and Vietnam, and between Indo-China and the Association of Southeast Asian Nations. Third, normal Sino-Soviet relations have added greatly to the atmosphere of general detente, "to promote a fundamentally healthy development of international relations."

2. Improvement of Sino-Soviet relations has carried forward the trend towards peace and co-operation in the Asian-Pacific region. The most direct effect is that Moscow has made overtures to reduce military levels in the region, which subsequently forced Washington to reduce its military forces there as well. The Soviet plans to develop Siberia and its far eastern reaches needs the participation of neighbouring countries, thus creating a good environment for relevant countries to strengthen economic relations. A relatively stable situation is appearing in Asia and friendly co-operation has been strengthened.

3. Sino-Soviet normalization has widened the path for new state-to-state relations. China and the Soviet Union have laid down the principles of establishing innovative state-to-state relations, which will positively affect overall international relations. The principles are a new model for the proper handling of state-to-state relations.

Northeast Asia

Sino-Japanese Nongovernmental Group To Meet

OW0109071890 Beijing XINHUA in English
0541 GMT 1 Sep 90

[Text] Beijing, September 1 (XINHUA)—The fifth meeting of Sino-Japanese non-governmental personages will be held in Tokyo, Japan, from September 3 to 6.

It is learned here today that the Chinese delegation to the meeting is composed of three representatives. They are Han Xu, president of the Chinese People's Association for Friendship With Foreign Countries; Sun Pinghua, president of the China-Japan Friendship Association; and Li Luye, director-general of the China Center of International Studies. They will leave for Tokyo Tuesday.

It is also learned that Chinese Premier Li Peng has shown great concern for the meeting.

In his important instruction to the Chinese delegation, Li Peng said that as an important channel of the two countries' people-to-people exchanges, the meeting of Sino-Japanese non-governmental personages has for a long time played an important role in complementing governmental exchanges.

The Chinese premier noted that it is of great importance for Chinese and Japanese non-governmental personages to have an extensive and in-depth discussion on issues of

common concern at a time when mankind have entered the 90s, the world situation has undergone great changes, and Sino-Japanese relations begin to return again to the normal track of development after experiencing some twists and turns.

"This kind of discussion will surely produce positive influences on the healthy development of Sino-Japanese friendship and cooperation," he said.

Li Peng said he hopes that the Chinese and Japanese delegations will make joint efforts to make the meeting a success.

PRC Delegation Arrives

OW0309063590 Beijing XINHUA Domestic Service
in Chinese 1500 GMT 2 Sep 90

[Text] Tokyo, 2 Sep (XINHUA)—A delegation of the Chinese Committee of the Fifth Council of Chinese and Japanese Nongovernmental Personages arrived in Japan today. Key representatives of the delegation are Han Xu, president of the Chinese People's Association for Friendship with Foreign Countries; Sun Pinghua, president of the China-Japan Friendship Association; and Li Luye, secretary general of the China International Studies Center.

The Fifth Council of Chinese and Japanese Nongovernmental Personages will take place in Shinotani Hotel, Tokyo, from 3 to 6 August. Principal members of the Japanese delegation include Masayoshi Ito, president of the Friendship League of Japanese and Chinese Parliamentarians; Haruo Okada, former deputy speaker of the Japanese Lower House; and (Mukaibo Takashi), president of the Japanese-Chinese Association.

During the four-day council, the two sides will discuss the current international situation, the world economic situation, the Sino-Japanese relations, and such questions as the promotion of bilateral economic, scientific, and technological cooperation as well as cultural and education exchanges.

Since the First Council of Chinese and Japanese Nongovernmental Personages was held in 1982 in Tokyo, subsequent meetings have been held alternately every two years in Beijing and Tokyo. A total of four meetings have been held. At the previous meetings, many influential and renowned figures and scholars from China and Japan discussed frankly and in depth such questions as the international political and economic situation, relations between China and Japan, and their exchanges in the economic, cultural, scientific, and technological fields. The council serves as an important channel for friendly exchanges between the Chinese and Japanese peoples.

Improved Ties Urged

*OW0309105590 Beijing XINHUA in English
1028 GMT 3 Sep 90*

[Text] Tokyo, September 3 (XINHUA)—Japanese Prime Minister Toshiki Kaifu called today for improved relations with China and pledged Japan's cooperation in China's efforts to achieve political and economic reforms.

Kaifu made the remarks at the opening ceremony of the Fifth China-Japan Non-governmental Conference here with about 100 Japanese and Chinese scholars and public opinion leaders attending.

The four-day conference is to discuss bilateral relations and international issues of common interest, especially developments in the Asia-Pacific region.

"Both Japan and China wish to restore bilateral relations as early as possible," Kaifu said, adding that this is the common desire of the peoples of Japan and China.

Japan and China have made efforts to tide over the difficulties and improve comprehensively their ties, Kaifu added.

He said he had pursued this goal to the best of his ability at the Houston Summit of Seven Major Industrial Nations.

Kaifu said it is hopeful that China is working to achieve political and economic reforms.

PRC Hopes for North, South Talks Noted

*SK0509093090 Beijing International Service
in Korean 1100 GMT 3 Sep 90*

[Excerpts] The foreign ministers of China and the Soviet Union have expressed deep concern over the situation prevailing in the Gulf area. [passage omitted]

When they discussed the situation in the Asia-Pacific area, both sides agreed to hold talks on (a regular basis) to discuss regional issues and to resolve questions involving potential for clashes existing in Asia. [passage omitted]

Expressing their interest in the relaxation of tension and stability of the situation on the Korean Peninsula, both sides recognized that the dialogue between the North and the South of Korea is of great significance to easing tension.

The two sides expressed the hope that the upcoming talks between the premiers of North and South of Korea will bring about active successes. [passage omitted]

DPRK Envoy on UN Entry, North-South Talks

*SK0309123590 Beijing International Service
in Korean 1100 GMT 1 Sep 90*

[Text] Chu Chang-chun, DPRK ambassador to our country, this morning held a news conference at the Embassy to clarify the DPRK Government's views and consistent position in connection with the issue of entry into the United Nations since South Korea is pushing ahead with its separate entry.

Ambassador Chu Chang-chun stated that with the approach of the UN General Assembly, the South Korean authorities are taking a series of steps to ask the support and cooperation of some countries for separate entry into the United Nations. He stressed that this clearly shows that the South Korean authorities, in actuality, adhere to separatist maneuvers to fabricate two Koreas while loudly talking about dialogue and reunification.

Noting that the most urgent and greatest national task for the Korean people is to reunify the divided country, Ambassador Chu Chang-chun said that entry into the United Nations is an important question related to the life and death of the nation and a domestic issue involving the right of national self-determination. Therefore, the issue on UN entry should be resolved through dialogue and negotiations between the North and the South.

He also stated that the North-South high-level talks are scheduled to be held on 4 September, and if the South Korean authorities continue maneuvering to legalize division by taking the nation's internal matter concerning UN entry to the outside, the North-South high-level talks, even if they are held, will not bring about any success.

He emphasized that the DPRK consistently opposed the division of the nation and called for entry into the United Nations as one reunified Korea and that if the North and the South enter the United Nations before reunification, they should jointly enter for a single seat instead of separately entering for two seats.

In conclusion, he said that the South Korean authorities should not act to spoil the atmosphere of North-South dialogue and pour cold water over prospects for dialogue.

Southeast Asia & Pacific**Minutes Signed on Sino-Burmese Cooperation**

*OW0109180390 Beijing XINHUA in English
1734 GMT 1 Sep 90*

[Text] Yangon [Rangoon], September 1 (XINHUA)—China and Myanmar [Burma] have agreed to cooperate in information exchange and drug suppression between the police forces of the two countries.

The two sides will also have cooperation in crop substitution along the China-Myanmar borders.

The agreement is contained in minutes of meetings signed here this evening by Yuan Yongyuan, leader of the visiting Chinese public security delegation for suppression of drug trafficking, and police colonel Ngwe Soe Tun, who is joint secretary of the Myanmar Central Committee for Drug Abuse Control.

The two sides also agreed to establish regular meeting system at official level. The next meeting between the two sides will be held in China.

Attending the signing ceremony were Lt-Gen Phone Myint, Myanmar minister for Home and Religious Affairs and chairman of the Central Drug Control Committee, and Qi Zhijia, charge d'affaires ad interim of the Chinese Embassy in Myanmar.

Delegation Leaves Burma

OW0209095290 Beijing XINHUA in English
0931 GMT 2 Sep 90

[Text] Yangon [Rangoon], September 2 (XINHUA)—The Chinese public security delegation for suppression of drug trafficking left here for Bangkok this afternoon after a 10-day visit in Myanmar [Burma].

Delegation leader Yuan Yongyuan told XINHUA earlier today that their visit to Myanmar was successful and the two sides signed a minutes of meeting. "This marks a gratifying step in the cooperation between China and Myanmar in fighting narcotic drugs," he said.

During their stay in Myanmar, the Chinese guests toured Yangon, Mandalay, Lashio and Pagan. They visited three drug dependency treatment centers, a coffee farm which is a demonstration farm of crop substitution for opium poppy and met with a responsible member of the Basic Education Department to get to know drug education in Myanmar schools.

The major part of the "golden triangle," one of the world's four major narcotic drug producing areas, is in Myanmar. But it has been under control of Myanmar's insurgents.

Most of Myanmar's opium poppy is grown in the north-eastern state of Shan and some in northern Kachin State.

Efforts To Solve Cambodian Issue Reviewed

HK0509044590 Beijing RENMIN RIBAO in Chinese
31 Aug 90 p 6

[Article by Fu Ying (0265 3853): "Progress in Politically Settling the Cambodian Issue in the Past Year—Written on the First Anniversary of the Paris International Conference"]

[Text] Recently, leaders of the three factions of the resistance forces in Cambodia held an important meeting in Beijing and issued a joint statement. The

three sides indicated their willingness to attend the Jakarta meeting and in a spirit of compromise seek the way to establish the Supreme National Committee as soon as possible. They agreed with the document on which agreement was reached by the five permanent member countries of the UN Security Council and were willing to use it as the framework for political settlement. They also agreed that the United Nations should play a key role in the comprehensive political settlement of the Cambodian issue. This statement reflected the sincere desire and flexible attitude of the three resistance forces to seek a political solution to the Cambodian issue, and attracted wide attention and won favorable comments from the international community. This was also shown in the process of seeking a political solution for the Cambodian issue in the past year.

In August last year, according to the proposal of Prince Sihanouk, an international conference on the Cambodian issue was held in Paris. Those attending the meeting included the five permanent member countries of the UN Security Council, the six ASEAN countries, the three Indochinese countries, and the representative of the UN secretary general. Through profound discussions and studies, the meeting made progress on the issues of verifying the force withdrawal, international supervision, and postwar reconstruction. However, the talks on the establishment of state power during the transitional period from the cease-fire to the general election were bogged down in a deadlock. Vietnam and the Phnom Penh regime refused to face reality and tried hard to exclude the Khmer Rouge, which is a main resistance force, in order to maintain the status quo inherited from the Vietnamese aggression. This was unacceptable to the international community.

Although no agreement was reached at the Paris conference, the meeting still achieved certain results. It established the principle that the Cambodian issue must be settled comprehensively in a political way and that the four conflicting sides in Cambodia should participate in the process of political settlement on an equal footing. Thus, a good model for later negotiations and consultations was established.

The failure to conclude agreement at the negotiating table led to the escalation of the military struggle. The three sides of the Cambodian resistance forces closely cooperated in their military actions and achieved major results on the battlefield. The situation on the Cambodian battlefield attracted wide attention in the international community. The quarters concerned began to seek a new way to promote the political settlement. Late last year, Australian Foreign Minister Evans proposed that the United Nations take responsibility for administration in the transitional period in order to prevent the bitter wrangling between the four sides over the distribution of power, and many countries and political forces were interested in this idea.

The five permanent member countries of the UN Security Council bear major responsibility for safeguarding

international peace and settling regional conflicts. In order to maintain the momentum of the process of politically settling the Cambodian issue, they held a meeting in January this year in Paris to exchange opinions. After that, follow-up meetings were held in New York and Paris almost every month. Although there were many difficulties, each round of the consultation still could make certain progress. In the first four rounds of talks, the five countries unanimously agreed the Cambodian issue must be solved in a political way rather than a military way and that the United Nations should play a greater role in the process of political settlement. They agreed that foreign troops should be completely withdrawn from Cambodia under the supervision and verification of the UN institutions. The five countries also held that the Supreme National Committee set up in the transitional period should embody and represent Cambodia's sovereignty and that the Cambodian people themselves should eventually have the right to select their country's future through fair and free elections.

However, on the issue of how to handle the government organs and armed forces during the transitional period, the five countries had differences. The controversy was focused on whether the existing power organs and armed forces should be maintained. China held the establishment of a coalition government head by Prince Sihanouk with the participation of all the four sides would be the best scheme. On the issue of the armed forces controlled by the four sides, China held that after the cease-fire, the troops of the four sides should be massed in some designated places without interfering in the general elections. The troops should be eventually disbanded or substantially reduced to an equally low level in order to prevent civil war. In the first four rounds of talks, the five countries did not reach agreement on these two issues.

At the same time, the ASEAN countries also held their third meeting on the Cambodian issue in February in Jakarta, and the four sides in Cambodia were also invited to the meeting. The meeting's participants formulated a 17-point document. However, Vietnam and the Phnom Penh regime again played their old trick and demanded that the issue of "national genocide" be included in the document. Thus, no agreement was reached. This past June, a meeting of the four Cambodian sides was held in Tokyo. However, the results of the meeting deviated from the framework of the Paris conference, as the establishment of a "bipartisan" government rather than a national supreme committee with the participation of four sides was attempted. As a result, the Khmer Rouge could not but refuse to sign the agreement, which was not recognized by the international community either.

Vietnam's aggression against, and prolonged occupation of Cambodia was the direct cause of the Cambodian issue. China is one of the main countries which supported the Cambodian people's anti-Vietnamese struggle. In the process of political settlement, China and Vietnam should play an important role, and this is also

the common hope of the international community. China and Vietnam held two rounds of talks on settling the Cambodian issue earlier, but no result was achieved because the Vietnamese side lacked sincerity. Early this May, Vietnam's First Deputy Foreign Minister Dinh Nho Liem came to Beijing in the name of inspecting the work of the Vietnamese Embassy there. The Chinese side took this opportunity to frankly exchange opinions with Dinh Nho Liem in the spirit of making a positive effort to settle the Cambodian issue, and the two sides reached consensus on some issues. For example, Vietnam agreed that it is necessary to seek a comprehensive political solution for the Cambodian issue, agreed to accept the force withdrawal verification of the United Nations, and guaranteed that the Vietnamese troops would not return to Cambodia. Dinh Nho Liem also expressed willingness to study the Chinese proposal about the government setup and the disposal of the armed forces during the transitional period. He also invited the Chinese side to send officials to Hanoi to carry on the talks.

The Chinese side was well aware of Vietnam's capricious attitude toward the Cambodian issue, but still hoped that Vietnam would indeed change its attitude under the new situation. So China sent Assistant Foreign Minister Xu Dunxin to lead a delegation to Hanoi for further talks. No substantial progress was made in the arduous talks that lasted several days. The fact once again showed that Vietnam would just do its utmost to safeguard its vested interests that it won through aggression and still try to continue to control Cambodia. This was reflected in the following two issues. On the issue of the power structure during the transitional period, the Chinese side proposed a national supreme committee with full power may be first set up to govern the country or the administrative functions may be performed by the UN institutions. However, Vietnam rejected both options and insisted that the Phnom Penh regime be kept intact and continue to hold power. On the issue of disposing of the armed forces, Vietnam also rejected the Chinese proposal and opposed the the UN peace-keeping troops be stationed in Cambodia. It demanded that the armed forces of the four sides be frozen in the places where they were originally based. Its intention was obviously to keep controlling the areas now under the control of the Vietnamese troops and the troops of the Phnom Penh regime. Sincerity is the foundation for talks. Because the Vietnamese side lacked sincerity, Sino-Vietnamese talks ended in discord.

In these circumstances, the talks of the five permanent member countries of the UN Security Council became the only hopeful way to advance the process of politically settling the Cambodian issue. On 16 July 1990, the five countries held their fifth round of talks in Paris. The time was close to the first anniversary of the Paris International Conference. However, battles were continuing in Cambodia, and the Cambodian people were still living in an abyss of suffering. The ability of the modern international community to cure in a political means this persistent ailment that was threatening regional security was now faced with a stern test.

The process of consultation in the fifth round of the talks was the most difficult one. The meeting on the second day lasted from 9 am to 11 pm, and with the joint efforts of the five countries noticeable progress was made and agreement was reached in principle on two documents about the military arrangements and about the government setup during the transitional period. The document about the military arrangements explicitly stipulated that the United Nations would set up both military and civilian power organs in Cambodia to supervise the armed forces of various factions during the transitional period; after the cease-fire, troops of various factions should be massed in the designated places and their weapons should be stored in other places. The document about administrative management during the transitional period stipulated that on the basis of the consultation among all quarters concerned, a national supreme committee comprised of representative and authoritative Cambodian figures should be set up as the sole legal organ from which all power will be derived during the transitional period. The five countries supported Prince Sihanouk in taking the chairmanship of this committee. The committee will authorize all necessary powers to the UN power organs in Cambodia during the transitional period and will exercise administrative management over the country and organize general elections. An international agreement is certainly the product of compromise, and it can never be reached according to the will of one side. Although there remain some unsatisfactory points in these two documents, they still could provide the basic framework for political settlement. The details have yet to be decided by the four Cambodian sides through their consultation. The successful results of the fifth round of the talks brought about a favorable turn in the process of political settlement.

It was a gratifying fact that the five permanent member countries of the UN Security Council further reached agreement on 27 August on the three documents about the arrangement of elections under the supervision of the United Nations, about safeguarding human rights and state sovereignty in Cambodia, and about the international guarantees for Cambodia's territorial integrity in their recent sixth round of talks. This thus provided a package program for the settlement of the 12-year-long conflict in Cambodia. In a joint statement published after the talks, the five countries urged all Cambodian sides involved in the conflict to accept the package program "as a whole" and take it "as the foundation for settling the conflict in Cambodia." Xu Dunxin, head of the Chinese delegation, said after the meeting: "We are glad to note that Prince Sihanouk and the three sides of the Cambodian resistance forces have expressed welcome and support for the consultation of the five countries. If Vietnam and the Phnom Penh regime have sincerity for settling the problem, they should also show a positive attitude toward the results of the five countries' consultation." In order to ensure that the process of political consultation will advance in the correct orientation, Indonesia and France are ready to preside in the capacity of the Paris conference's co-chairmen over a

meeting attended by the four Cambodian sides in Jakarta in order to prepare for the establishment of the national supreme committee according to the spirit of the documents adopted by the five-country meetings and also prepare for the resumption of the Paris international conference.

This August, Premier Li Peng visited Indonesia, Singapore, and Thailand. How to rapidly settle the Cambodian issue was a major subject in his talks with President Suharto, Prime Minister Lee Kuan Yew, and Prime Minister Chatchai. The profound exchange of opinions enable China to coordinate its position with that of the ASEAN countries, and the talks reached wide-ranging agreement. China and the three ASEAN countries all agreed that the conditions for politically settling the Cambodian issues were ripe, and the pace of political settlement should be quickened. They supported the documents adopted by the five UN Security Council permanent member countries in their talks, and held that the documents formed a proper framework for the fair and reasonable settlement of the Cambodian issue. They supported the Jakarta meeting chaired by the co-chairmen of the Paris conference and attended by the four Cambodian sides and hoped that the national supreme committee would be established at an earliest possible date. Li Peng's successful visit to the three countries also promoted the process of the Cambodian issue's political settlement.

At present, the conditions for politically settling the Cambodian issue are ready. Whether the Cambodian issue can be settled as soon as possible will be contingent on the attitude of Vietnam and the Phnom Penh regime headed by Hun Sen. The international community is watching what reactions Vietnam and the Phnom Penh regime will make. Whether they will accept the documents drawn up by the five UN Security Council permanent member countries will be a touchstone for their sincerity. They must decide what course to follow. The Cambodian people who tasted to the full the bitterness of chaos caused by war and the bitterness of foreign aggression and occupation have waited too long. Now it is the best time for terminating the war and chaos. It is hoped that Vietnam and the Phnom Penh regime will comply with the trend of the times and participate in the peace process, and will not once again become the obstacle to the fair and reasonable settlement of the Cambodian issue.

Li Peng's Comment on Cambodia Issue Noted

OW0109182090 Beijing XINHUA in English
1331 GMT 1 Sep 90

[Text] Hanoi, September 1 (XINHUA)—Premier Do Muoi today called on the Vietnamese people to continue to carry out the Communist Party's renewal policy in building up socialism.

"The continuation of the renewal process constitutes an imperative need and a vital issue for our country," Do

Muoi told a mass meeting here to mark the 45th anniversary of Vietnam's independence day, which was attended by party General Secretary Nguyen Van Linh, head of state Vo Chi Cong and advisor to the party Pham Van Dong.

The renewal policy adopted by the Vietnamese Communist Party three and half years before has reached "initial yet very important results," he said.

However, he said Vietnam's "socio-economic situation is riddled with acute difficulties, and new problems are compounding old ones that have not been resolved."

The premier said Vietnam is advancing to the socialist road charted by the late President Ho Chi Minh. "Renewal is to build up socialism more effectively, not to renounce socialism," he said.

The whole party and people should work hard to bring into play all favorable conditions, overcome difficulties, increase production, practice thrift, tap every morale and material potential of the society in order to accelerate the economic growth tempo and to obtain higher economic productivity and efficiency, he added.

Do also said his government welcomes the August 28th statement made by Chinese Premier Li Peng on the Cambodian issue.

In his report to the 15th session of the Standing Committee of the National People's Congress, Li said: "Vietnam is a neighboring country to China. Together with a fair and reasonable solution of the Cambodian problem, China is prepared to hold talks with Vietnam on the normalization of bilateral relations."

Near East & South Asia

Gulf Crisis Crimps Arab Economic Integration

OW0309003090 Beijing XINHUA in English
0001 GMT 3 Sep 90

["News Analysis: Gulf Crisis Ruins Prospects of Arab Economic Integration (By Li Zhurun)"]—XINHUA headline]

[Text] Cairo, September 2 (XINHUA)—The prospects of an Arab economic integration based on three existing regional blocs were ruined by Iraqi tanks that stormed across Kuwait one month ago today.

The Gulf crisis has torn the Arab Cooperation Council (ACC) apart, divided the Arab Maghreb Union (AMU) and weakened the Gulf Cooperation Council (GCC).

Only eight months before the invasion, Egyptian President Hosni Mubarak and six other Arab leaders called for increased economic cooperation in separate interviews with "AL-AHRAM," the most influential newspaper in the Middle East.

In the interviews published between January 4 and 7, all the leaders stressed the need for Arab countries to work together to face challenges in the new decade, particularly those from a unified European market in 1992.

Mubarak envisaged eventual creation of a pan-Arab grouping economically to match Europe. Egypt, he said, may serve the purpose by bridging the three blocs which stretch across the Arab land—the ACC in the middle, GCC in the east and AMU in the west.

No one expected that so soon was this blueprint ruined. Neither did one expect that just one and a half years after it was born, the ACC was reduced to the verge of collapse. The ACC, set up in mid-February 1989, groups Egypt, Iraq, Jordan and Yemen. With two key members, Egypt and Iraq, now giving tit for tat to each other in the Gulf crisis, 27 projects of cooperation in economy, technology and scientific research signed so far are at stake.

Also questionable are governmental agreements designed to facilitate cooperation, including one that obliges the member states to open their airspace to one another.

Egyptian troops are now in Saudi Arabia along with a multi-national force vis-a-vis Iraqi columns along the Kuwaiti border.

After the crisis broke out, each of the five AMU states—Libya, Morocco, Tunisia, Algeria and Mauritania—went its own way.

At the August 10 emergency Arab summit, Morocco voted in favor of sending troops to Saudi Arabia. Libya said "no," Algeria abstained from voting, Mauritania expressed reservations and Tunisia did not attend the meeting.

The sharp differences over the handling of the crisis are no surprise to observers. Also set up in mid-February of last year, the AMU countries have been busy mending rifts left over from history to prepare the ground for better cooperation. After the August 2 invasion, Saudi Arabia, the United Arab Emirates (UAE), Oman and Qatar, which form the GCC together with Kuwait and Bahrain, announced increases in defense expenditure. Saudi Arabia alone decided to earmark an extra 11 billion U.S. dollars to support the deployment of the multinational force.

That means reduction in economic financing which consequently affects development. The UAE has already announced that the Gulf crisis may slash the major norms of its national economy for this year back to the 1988 level.

Kuwait is working to ensure release of its overseas assets of about 100 billion dollars, which were frozen after the invasion. Kuwaiti officials and industrialists are now in London planning to use the money to award friends and launch a global monetary war against Iraq.

Under such circumstances, observers said, it is difficult to expect Kuwait, the second richest of the GCC countries, to proceed with the GCC-designated task of promoting a projected integration of the Gulf market.

Before the invasion, Kuwait, alone or jointly with Saudi Arabia and the UAE, was heading consortiums to finance some multi-billion-dollar projects to help less developed members catch up.

One is the development of Qatar's north gas field, the single greatest in the world with reserves amounting to 1,740 billion cubic meters, which needs 3.1 billion dollars just for the first phase work scheduled for completion in 1991. Another is a 1.4 billion dollar project to help Bahrain expand its aluminium industry.

Now that Kuwait is preoccupied with struggle for freedom and Saudi Arabia and UAE with defense, these projects may be delayed or even cancelled if the crisis drags on.

CPC's Gulf Crisis Policy Viewed

HK3108131890 Hong Kong CHENG MING in Chinese No 155, 1 Sep 90 p 15

["Notes on the Northern Journey" by Lo Ping (5012 0393): "The CPC Guiding Principle for the Middle East Crisis"]

[Text] The crisis over the threat of war in the Middle East occurred suddenly.

Many countries accused Iraq of invading Kuwait, but the CPC was at a loss as to what to do, and initially, did not take a clear-cut stand. Apparently, there were no "supreme instructions" at that time.

Later, on many occasions the CPC Central Committee Political Bureau Standing Committee members, some members of the bureau, and political old-timers held discussions on the Middle East situation in Beidaihe. Deng Xiaoping instructed clearly: "Less talk and no meddling. We do not believe that the international sanctions will solve the problem."

According to an informed source, the CPC hierarchy, in light of Deng Xiaoping's instructions, reached a consensus on three points and laid down one policy—two oppositions.

The first point on which they reached a consensus is: The present Middle East crisis was created by small and big hegemonists. Iraq is a small regional hegemonist, while the United States is a big, global hegemonist [quan qiu xing da ba 0356 3808 1840 1129 7218].

The second point: Iraq cannot be overpowered. It may run short of food but has sufficient weapons. Time is not on the United States' side. A protracted deadlock will be more than the United States can stand.

The third point: The two parties concerned will finally go to the conference table and settle the problem through negotiations.

The one policy is: Opposition to Iraq's invasion of Kuwait and to U.S. military involvement. At present however, the CPC will not come out against the military involvement of Western major countries, or lodge a formal protest, or attack anyone of them by name, as required by its strategy.

According to the analysis made by the CPC hierarchy, the outcome of the conflict will be beneficial to the CPC.

Military attaches of the Chinese embassies to Iraq and Kuwait submitted reports to Beijing to the following effect: In terms of tactics, Iraq won a brilliant victory in invading Kuwait. Making use of the experience they gained in the war against Iran, the Iraqi troops occupied Kuwait at a fell swoop, stunning the world.

The CPC hierarchy attaches great importance to Iraq's experience in invading Kuwait, and has told the Chinese embassies to Iraq and Kuwait to obtain the related documentary film shot by the Iraqi military.

A CPC diplomatic source said they predicted one week before Iraq's invasion of Kuwait, that Iraq would make a major move, and that their prediction proved correct.

But I have reservations about this. First, the CPC assumed an ambiguous attitude toward Iraq's invasion at first; second, over the last few years, the CPC has underestimated sudden incidents in the world, been poorly informed, and was slow in reacting—in the cases of the February revolution in the Philippines and December Coup, and the revolution in Romania in particular. Not long ago, the CPC also predicted that Gorbachev would not survive the conflict at the 12th [as published] CPSU (the Communist Party of the Soviet Union) Congress. Therefore, the CPC does not necessarily have a prophetic vision, and their predictions have to be subjected to the test of time.

It was reported that Iraq has been friendly to the CPC. Iraqi high-ranking government officers briefed the CPC ambassador to Iraq on the situation, and reassured him on many occasions that Iraq would protect Chinese citizens. In the meantime, the Iraqi government asked the CPC to support them in "their resistance against U.S. imperialist aggression."

The CPC has decided that it will not withdraw its personnel in Iraq and that it will continue to execute the contracts which have been signed.

In carrying out its new diplomatic policy, the CPC has made great efforts to rope in Third World countries. Now that a Hitler has made his appearance in the Third World, the U.S.-led Western world—which the CPC dares not unduly offend—is set to recklessly fight against that Hitler. This poses a difficult question for the CPC. If

the CPC were not in such an awkward position, why would Deng Xiaoping lay down such a policy: "Less talk and no meddling?"

Yang Shangkun Meets With Tunisian Envoy

*OW0309142390 Beijing XINHUA in English
1358 GMT 3 Sep 90*

[Text] Beijing, September 3 (XINHUA)—Chinese President Yang Shangkun met with Mahmoud Mestiri, special envoy of the Tunisian president, at the Great Hall of the People here today.

According to an official of the Chinese Foreign Ministry, Mestiri handed a letter to the Chinese president from Tunisian President Ben Ali. He also briefed Yang on the views of the Tunisian Government on the Gulf crisis and its efforts to overcome it.

Yang reiterated China's principled stand on the issue. The Chinese Government, he said, has always held that state-to-state relations should be based on the five principles of peaceful co-existence and their differences and disputes solved peacefully through consultations on an equal footing. In light of this principle, China voted for the related resolutions of the U.N. Security Council, he said. He added that China hoped that Iraq would respond to the mediation of the Arab League and the appeal of the international community to withdraw its troops from Kuwait immediately, totally and unconditionally, restore the independence, sovereignty and territorial integrity of Kuwait, solve disputes through negotiations with the Kuwaiti legal authorities and restore peace and stability in the region as soon as possible.

He said that China stands for a settlement of the Gulf crisis by the Arab and Gulf countries themselves within the framework of the Arab League. China, he added, is against the military involvement in the Gulf area by big powers.

Yang said that he appreciated the efforts of President Ben Ali to seek a settlement to the Gulf crisis within the framework of the Arab world.

Mestiri arrived in Beijing yesterday.

Sino-Indian Working Group Meeting on Border Ends

*OW3108182090 Beijing XINHUA in English
1740 GMT 31 Aug 90*

[Text] New Delhi, August 31 (XINHUA)—The second meeting of the Sino-Indian joint working group on border concluded here this evening.

Two rounds of talks were held yesterday and today between the Chinese delegation led by Vice Foreign Minister Qi Huaiyuan and the Indian delegation led by Foreign Secretary Muchkund Dubey.

Chinese delegation sources said the talks were held in a sincere, friendly and frank atmosphere. Both sides set

forth their positions and held that the talks have contributed to the mutual understanding and are useful for the solution of the border problem. Both sides desired an early solution of the problem and will continue to work to safeguard peace and tranquility in the actual control line area.

It is learned that the Indian side renewed the invitation made by former Prime Minister Rajiv Gandhi during his visit to China in December 1988 to Chinese Prime Minister Li Peng to visit India. The Chinese side said Li Peng would likely visit India in the near future.

The Chinese side too renewed the invitation made by Chinese Foreign Minister Qian Qichen during his visit to India in March this year to Indian External Affairs Minister I.K. Gujral to visit China, and was looking forward to his visit in October this year, the sources said.

Both sides also agreed that their military personnel would meet from time to time at an appropriate level so as to help maintain peace and tranquility in the border or actual control line area.

It was agreed the next meeting of the group will be held in Beijing in 1991.

Indian External Affairs Minister I.K. Gujral met Qi Huaiyuan this afternoon and exchanged views on international issues of mutual concern.

Following the second meeting of the Sino-Indian joint working group on border, annual bilateral consultations between the foreign ministries of the two countries were held, and both sides conferred on international issues of mutual concern and held that the consultations were very useful.

The Sino-Indian joint working group on border was set up during former Indian Prime Minister Rajiv Gandhi's visit to China in December 1988. Its first meeting was held in Beijing in July 1989.

Delegation Departs India

*OW0109073790 Beijing XINHUA in English
0645 GMT 1 Sep 90*

[Text] New Delhi, September 1 (XINHUA)—Chinese Vice-Foreign Minister Qi Huaiyuan left here early this morning after the second meeting of the Sino-Indian joint working group on border and the annual bilateral consultations between the two foreign ministries.

Indian Prime Minister V.P. Singh received Qi Friday night and had a cordial conversation with him.

Qi conveyed Chinese Premier Li Peng's regards to Singh and expressed appreciation for the process of understanding and cooperation between the two countries which started since Prime Minister Singh took office.

Singh asked Qi to convey his highest consideration to Li Peng and said he is keen to look forward to Li Peng's

India visit after Indian External Affairs Minister I.K. Gujral's visit to China. Gujral is likely visit China in October.

Singh added that when his government took office last December, the relationship between India and China was given priority. He appreciated the active attitudes held by both sides during the second meeting of the Sino-Indian joint working group on border here and valued them highly. He hoped that some solution on the border problem acceptable by both sides will be found through continuous efforts.

According to Chinese delegation sources, the second meeting of the Sino-Indian joint working group on border was held in a sincere, friendly and frank atmosphere. Both sides set forth their own stand and thought that the talks have contributed to mutual understanding and are useful for the solution of the border problem.

Both sides expressed their wishes to solve the problem early and their will to continue to work for safeguarding peace and tranquility in the actual control line area.

The Chinese delegation arrived here on August 30. Following the second meeting of the Sino-Indian joint working group on border, the annual bilateral consultations between the foreign ministries of the two countries were held. Both sides discussed international issues of mutual concern and held that the consultations were very useful.

West Europe

NPC Official Meets Italian Parliamentarians

OW0409131690 Beijing XINHUA in English
1107 GMT 4 Sep 90

[Text] Beijing, September 4 (XINHUA)—Peng Chong, vice-chairman of China's National People's Congress (NPC) Standing Committee, met and gave a banquet for Vincenzo Scotti, chairman of the Christian Democratic Group in Italy's Chamber of Deputies, and his party here this evening.

Scotti's group represents the first high-ranking parliamentary delegation to China from Italy since last year.

During the visit, the guests are expected to exchange views with the Chinese side on the international situation and regional issues in Asia, learn about the current political and economic situation in China, and push for the resumption and development of trade relations and cooperative projects between the two countries.

The group arrived here this afternoon at the invitation of the NPC Standing Committee.

Vice Minister Tian Zengpei Ends Visit to Italy

OW0509092390 Beijing XINHUA in English
0633 GMT 5 Sep 90

[Text] Rome, September 4 (XINHUA)—Chinese Vice-Minister of Foreign Affairs Tian Zengpei ended his four-day visit to Italy today and left for France to continue his European tour.

During the visit, Tian had talks respectively with Italian Prime Minister Giulio Andreotti and Secretary General of Italian Foreign Ministry Bruno Bottai on Sino-Italian bilateral relations, the Gulf situation, Sino-European community relations and the Cambodian issue.

Both sides agreed that they hold identical or similar views on these issues.

Minister Says Resumption of EC Relations Desired

AU0409131490 Rome ANSA in English
1220 GMT 4 Sep 90

[Text] (ANSA)—Rome, September 4—China is hoping for a full resumption of relations with Italy and the "total relaunching" of relations with the European Community [EC], as a result of meetings scheduled in the next few weeks, according to China's Deputy Foreign Minister Tian Zengpei.

Meeting reporters here this morning after talks with Italian Prime Minister Giulio Andreotti, he confirmed that their "cordial" conversation also covered the Gulf crisis and other international issues.

The EC and its 12 members—Italy is the present duty chairman—froze relations with China after the repression of the pro-democracy movement in Beijing's Tiananmen Square in June, 1989.

Tian's meetings with Andreotti and, yesterday, with the Italian Foreign Ministry's secretary-general, Bruno Bottai, were designed to prepare the ground for talks on the fringe of the United Nations General Assembly in New York later this month between the EC's foreign ministerial "troika" and Chinese Foreign Minister Qian Qichen.

This will be the first meeting between the two sides since Tiananmen Square. "More must be done to develop democracy and legality," Tian told the reporters, "but the reforms must take account of the concrete conditions of the Chinese."

He also said that China "does not propose its model of socialism to others" and sees East-West detente as "positive" provided it does not "harm the interests of third countries."

"We compared our positions and found they were very close, he added of his talks with Andreotti on the Gulf, adding on two-way economic ties, that "both sides are favourable to their development."

Foreign Minister Qian Qichen Arrives in Turkey*OW0409002390 Beijing XINHUA in English
2337 GMT 3 Sep 90*

[Text] Ankara, September 3 (XINHUA)—Chinese Foreign Minister Qian Qichen arrived here this evening for a four-day official visit to Turkey.

Qian said in an arrival statement he will meet with Turkish officials for talks on "international issues of common interest, especially the Gulf crisis, and ways to promote bilateral relations."

Qian said his visit will "help strengthen our mutual understanding and friendship and promote the two countries' cooperation in various fields."

Foreign Minister Ali Bozer, who met Qian at the Ankara Esenboga Airport, said "China's position is very important" as the country is one of the five permanent members of the U.N. Security Council and "her views and attitude toward the Gulf crisis is also very important for Turkey."

Bozer added that he would frankly express the attitude and position of Turkey toward the Gulf crisis and its views on the Cyprus problem to the Chinese Foreign Minister.

The two ministers will hold official talks tomorrow on international and regional issues as well as bilateral relations. Qian will also meet with President Turgut Ozal, Parliament Speaker Kaya Erdem and Prime Minister Yildirim Akbulut.

Qian visited Turkey in 1986 as deputy foreign minister.

Official Talks Begin*TA0409121190 Ankara Domestic Service in Turkish
1000 GMT 4 Sep 90*

[Text] Chinese Foreign Minister Qian Qichen, currently on an official visit to Turkey, has begun his contacts in Ankara. Turkish-Chinese official talks are also under way. The talks will be primarily about the Gulf issue, other international and regional issues, and bilateral relations.

Prior to the official talks, Qian called on Foreign Minister Ali Bozer. Later he will visit Kaya Erdem, the assembly speaker.

Gulf Situation Discussed*OW0409185990 Beijing XINHUA in English
1821 GMT 4 Sep 90*

[By Zheng Jinfa]

[Text] Ankara, September 4 (XINHUA)—The Chinese and Turkish foreign ministers today held their first round of official talks on the Gulf crisis, stressing that the U.N. resolutions should be carried out to solve the problem.

Chinese Foreign Minister Qian Qichen and Turkish Foreign Minister Ali Bozer expressed the same position that both countries are opposed to Iraq's invasion and annexation of Kuwait, demand the restoration to Kuwait of its independence, sovereignty and territorial integrity and adhere to relevant U.N. resolutions, Chinese sources said.

Qian pointed out, "Iraq's armed invasion of Kuwait cannot be accepted from any point of view, because it violated the U.N. Charter and norms governing relations between countries."

"Iraq must unconditionally withdraw its troops from Kuwait as soon as possible and the independence, sovereignty and territorial integrity of Kuwait must be restored. The Iraqi-Kuwaiti dispute should be solved through talks and the Gulf crisis should be resolved through peaceful and political ways in the Arab region," Qian was quoted as saying.

"China opposes big powers' military involvement," Qian said. "Big powers' military involvement can only make the situation worse," he added.

The Chinese foreign minister said, "To adhere to the U.N. resolutions is the only way to resolve the Gulf crisis. So long as there is a gleam of hope for peace, the international community should make efforts to seek a political solution so as to avoid a further, even more complicated and tense situation in the region."

The Turkish foreign minister said, "Turkey has adopted a positive attitude toward the five U.N. resolutions and has strictly adhered to them."

Referring to the Cyprus issue, Bozer said, "Turkey hopes that Turkish and Greek Cypriot communities must solve the Cyprus problem through peaceful talks within the framework of the U.N. and hopes that China will play a more active role in helping to resolve the problem."

Qian reiterated China's principled stand on the Cyprus issue, saying that the settlement of the Cyprus issue should be based on the talks between Turkish and Greek Cypriot communities in a just and rational way.

The Chinese minister also appreciated Turkey's stand on the Cambodian question.

Turkey insists on the foreign troops' withdrawal from Cambodia, supports the Cambodian government headed by Prince Norodom Sihanouk and supports Cambodia's seat at the U.N.

Reportage on Foreign Minister Visit to Turkey*WA0904120090*

For reportage on the visit by Foreign Minister Qian Qichen to Turkey, including his statement on the Gulf crisis, please see the Turkey section of the 4 September West Europe DAILY REPORT and subsequent issues.

Political & Social

Li Peng To Resign From Economic Commission

OW0509111490 Tokyo KYODO in English
1100 GMT 5 Sep 90

[Text] Beijing, Sept. 5 KYODO—Chinese Premier Li Peng will step down from his post as minister in charge of the State Commission for Restructuring the Economy and be replaced by Chen Jinhua, president of the China National Petrochemical Corporation, Chinese sources said Wednesday.

The change will be approved by the current session of the Standing Committee of the National People's Congress, according to the sources.

The economic restructuring committee was established in 1982 to promote agricultural and industrial reform.

Zhao Ziyang, former general secretary of the Chinese Communist Party, was the first minister of the committee. Zhao was removed from all his posts in June last year because of his alleged sympathy toward pro-democracy demonstrators.

Li was concurrently appointed minister of the committee when he was elected premier in April 1988.

The reshuffle, by assigning a minister to the committee full-time, is designed to better promote China's economic open-door and reform policies to other countries, the sources said.

Zhao Ziyang, Wife Appear in Public

OW0509111890 Tokyo KYODO in English 1029 GMT
5 Sep 90

[Text] Beijing, Sept. 5 KYODO—The former general secretary of the Chinese Communist Party, Zhao Ziyang, appeared in public Tuesday for the first time since he was sacked last year, sources said.

Zhao and his wife showed up at a golf course in the suburbs of Beijing.

Zhao, 71, who took the lead in promoting China's economic reforms during the 1980s, has been under investigation by a party committee for alleged involvement in last year's "counter-revolutionary rebellion" and was thought to have been held under house arrest in the Chinese capital.

Report on Jiang Zemin's 20-26 Jul Tibet Tour

OW0109075390

[Editorial Report] Beijing Television Service in Mandarin at 1058 GMT on 31 August transmits a 25-minute announcer-read video report, with recorded portions, on CPC General Secretary Jiang Zemin's week-long tour of Tibet from 20 to 26 July 1990.

Captioned "A Trip To the Roof of the World—On-the-Spot Report on Comrade Jiang Zemin's Inspection Tour of Tibet," the video opens with a bird's-eye view of the snow-capped mountains, slowing backing up to show Lhasa City in the distance. As the announcer provides an introduction on Jiang's trip to Tibet, the camera cuts to show Jiang slowly exiting from an airplane and being accorded an elaborate Tibetan welcome ceremony at the airport. After a brief motorcade ride, Jiang Zemin is seen mingling with a big crowd of people on a busy street in Lhasa, freely shaking hands with them and holding a small Tibetan girl in his arms.

Then, Jiang Zemin is seen attending a briefing in a conference room of the Tibet autonomous regional party committee. Jiang, after hearing a briefing on the work by regional party Secretary Hu Jintao, is shown engaging in discussions with approximately 100 central and local officials on how to accelerate the economic construction of Tibet, one of the main purposes of his inspection tour.

The announcer cites Jiang Zemin as saying, after visiting the Lhasa Rug Factory and taking a three-hour ride in a van to the Yangbajing Geothermal Power Plant, located 4,350 meters above sea level: Tibet's economic development should focus on construction of the infrastructure. Vigorous efforts should be made to promote agricultural and animal husbandry production, accelerate energy and transportation construction, and step up the training of talented personnel.

Then, Jiang Zemin is seen inspecting the Lhasa First Primary School, watching a classroom demonstration, delivering a brief speech to the students, and chatting with school teachers. This is followed by a trip to the Zhaxi Lhunbo Lamasery in Xigaze, southern Tibet, where he is seen paying tribute to the late Bainqen Lama; a visit to the Jokhang Temple in downtown Lhasa, where he is seen hearing the care-taker describing the murals on the walls; and a meeting with noted personalities of Tibetan and religious circles, including Pabla Geleg Namgyai, vice chairman of the Chinese People's Political Consultative Conference National Committee, in Luobulinka, on the outskirts of Lhasa. According to the announcer, Jiang Zemin told the noted personalities: "Tibet is a member of the big family of the motherland. In spite of the vast mountains and rivers separating Tibet from the other parts of the country, the hearts of the Chinese people of all nationalities are closely bound together with you. In the great undertaking of building socialism with Chinese characteristics, we are united as one, support each other, and share a common destiny."

This is followed by shots of Jiang Zemin talking with uniformed soldiers, inquiring about their work and daily life. He is seen addressing a group of soldiers, praising them for working hard and performing meritorious service by steadfastly guarding the motherland's southwestern frontier. Also shown are shots of Jiang inspecting soldiers from a jeep.

Then, video shows Jiang Zemin calling on a Tibetan peasant's family. Inside what appears to be a newly built house, Jiang is seen chatting with the peasant and presenting a gift of clock to the Tibetan family. Video also shows shots of him talking to a Tibetan herdsman on a highland animal farm, and visiting a rural village and mingling with Tibetan villagers. According to the announcer, Jiang Zemin, speaking in Tibetan, wished them a bumper harvest.

At a meeting with grass-roots cadres in Chengguan District, Lhasa, Jiang Zemin, stressing the importance of stability, is heard to say that "without stability and prosperity in the country, the people cannot live and work in peace and contentment" and that "only with stability and unity in Tibet and the entire country can we successfully develop the economy."

The camera shows Jiang Zemin sitting at a desk in a plainly decorated hotel room studying some papers at 2300, shortly before midnight.

Then, video shows shots of Jiang Zemin delivering an "important" speech at a rally of party, government, and military cadres in Tibet. The announcer cites him as hailing the just concluded fourth autonomous regional party congress, affirming the newly elected leading body of the regional party committee, and paying tribute to cadres and workers of all nationalities who have devoted their lives to Tibet's construction. Jiang Zemin is seen concluding his speech, saying: "Comrades! The party Central Committee and the State Council are full of confidence in Tibet's stability and development and place great hopes on the people of all nationalities in the autonomous region. To accelerate Tibet's economic development, the party Central Committee and the State Council will continue to implement special policies and flexible measures in Tibet. The policies for Tibet already adopted by the party Central Committee, the State Council, and ministries and commissions at the central level will remain unchanged if practice has proved that they are in the interests of accelerating Tibet's economic development and helping its people shake off poverty and become well off. The party Central Committee and the State Council will, as always, provide Tibet with necessary support and assistance in terms of manpower, materials, and funds and will continue to mobilize various provinces, municipalities, and autonomous regions to support Tibet in a planned way. We sincerely hope that the cadres, workers and staff, and people of all nationalities in Tibet will unite even more closely; heighten spirit; work hard; and strive to build a new united, rich, and civilized socialist Tibet, to achieve the four modernizations, and to revitalize China."

Video concludes with shots of Jiang Zemin waving to well-wishers from the door of the airplane before his departure from Tibet.

Jiang Zemin Inspects Xinjiang, Stresses Unity

OW0209131690 Beijing XINHUA in English
1235 GMT 2 Sep 90

[Text] Urumqi, September 2 (XINHUA)—The Chinese Communist Party chief Jiang Zemin reiterated the importance of unity among all nationalities, regions, and between the Army and local governments during an inspection tour of the Xinjiang Uygur Autonomous Regions between August 22 to September 1.

Unity, coordination, and mutual support should be stressed in the big family of the Chinese nation, he said. So long as people of all nationalities in China, under the leadership of the Communist Party of China (CPC), share weal and woe and are united for a common objective, the Chinese cause will remain rock-firm, Jiang said.

During the tour, Jiang, together with Yang Baibing, secretary-general of the Military Commission of the party Central Committee, visited a number of factories, rural and pastoral areas, oilfields, and Army units.

Jiang said that people in Xinjiang, as well as in the other parts of China, hope for stability, unity, development, and prosperity of the country. With this as a common will, all difficulties will be surmounted, he noted.

At a discussion session with local leaders, Jiang said, it is precisely because China has a strong proletarian party that the country has weathered all kinds of difficulties and remains powerful in the east. Only under the leadership of the CPC will China's reform and opening policy proceed along the socialist road, he noted.

The general secretary urged local leaders to persist with the Marxist views on nationality and religion and to promote the idea of mutual dependence among all nationalities.

When talking with local farmers and herdsmen, Jiang said the household contract responsibility system has greatly aroused farmers' enthusiasm and given an impetus to productivity and therefore should be continued in the future.

However, it should be developed and perfected, he said. In areas where conditions permit, more intensive farming and socialized services may be introduced to solve problems that each individual household is unable to tackle, Jiang added.

Referring to the region's economic development, Jiang said, Xinjiang should be developed into a production base for cotton, grain, sugar and animal husbandry. Priority should be given to communications, energy, especially petroleum and natural gas, and the petrochemical industry.

The general secretary called on local government to attach great importance to the training of ethnic minority leaders and give a full scope to their role.

Leading officials at all levels should devote more time to the study of Marxist theory and works of Mao Zedong and Deng Xiaoping, build a clean government and share weal and woe with the masses of the people, he said.

Jiang Zemin Meets Taiwanese University Delegation

OW0309013590 Beijing Domestic Service
in Mandarin 0930 GMT 2 Sep 90

[From the "National Hookup" program]

[Text] Jiang Zemin, general secretary of the CPC Central Committee, met a teachers' delegation of the Jiaotong [Communications] University at Xinzhu, Taiwan Province, in the Ziguan Pavilion of Zhongnanhai this morning. The 45-member delegation, headed by Chen Yiyang, professor and dean of studies, is the largest delegation of professors from Taiwan's education circles to visit the mainland.

Jiang Zemin first welcomed his fellow alumni from Taiwan. Alumni of the various Jiaotong Universities of our motherland are scattered throughout the world. It can be said that our alumni are everywhere under the heavens. Our motherland is vast and its mountains and rivers are majestic and beautiful. Compatriots across the straits should unite with one goal in mind, that is, to make contributions to the rejuvenation of China.

Professor Chen Yiyang said: We have been here for several days and the mainland has left a deep impression on us. Compatriots in Taiwan and the mainland share the same roots and ancestry. Reunification of the motherland and the rejuvenation of the nation are our common wish. We should work for this goal.

The delegation arrived in Beijing on 30 August. It will pay friendly visits to Jiaotong Universities in Shanghai, the north, Xian, and the southwest.

Comrade Ding Guangen and others were present at the meeting.

Urumqi TV on Jiang Zemin at Railroad Opening

OW0409194790 Urumqi Xinjiang Television Network
in Mandarin 1300 GMT 3 Sep 90

[From the "Xinjiang News" program]

[Text] [Video shows medium shots of Jiang Zemin, Yang Baibing, Wang Enmao, Tomur Dawamat, and other leaders sitting behind a long table, facing a large crowd of people; wide shots of approximately 3,000 people sitting on the ground in the plaza outside the Urumqi railroad station building; medium shots of railroad construction workers at work; and medium shot of Jiang Zemin cutting a ribbon] A meeting to celebrate the opening of the section from the Urumqi West Station to the Alashankou Station of the Lanzhou-Xinjiang Railroad was held ceremoniously at the Urumqi West Station on 1 September. Jiang Zemin, general secretary of the CPC Central Committee, who was on an inspection tour of

Xinjiang, attended the celebration meeting and offered his congratulations on the opening of the railroad. The CPC general secretary and other leading comrades presented flags to 15 organizations which either had participated in or had supported the construction of the railroad.

Qi Guo, head of the leading group for the North Xinjiang Railroad, presided over the meeting. Tomur Dawamat, chairman of the Xinjiang Autonomous Regional People's Government, delivered an ebullient speech at the meeting.

He said: The construction of the North Xinjiang Railroad began on 1 May 1985. The railroad was completed in only five years or so, thanks to the profound concern shown by the party Central Committee and the State Council, to the energetic support given by the Ministry of Railways and other state departments concerned, and to the close cooperation and unselfish dedication displayed by railroad construction workers as well as party and government organizations and production and construction corps units at various levels along the railroad. The builders of the North Xinjiang Railroad included the workers and staff members of the North Xinjiang Railway Corporation, the First Engineering Division of the Production and Construction Corps, the No. 1 Survey and Design Institute of the Ministry of Railways, the 15th Construction Engineering Bureau of the Ministry of Railways, and the First Construction Engineering Bureau of the Ministry of Railways; and the commanders and fighters of the People's Liberation Army [PLA] units and the armed police units in Xinjiang. You have worked tenaciously while braving sandstorms, winter cold, and summer heat, and enduring the hardships of fieldwork. You also have written a new page for Xinjiang's railroad construction. The autonomous regional party committee and people's government thank you. The people of all nationalities will never forget you.

Tomur Dawamat urged the railroad builders to guard against conceit and impetuosity, continue to exert themselves, keep firmly in mind the great trust placed in them by the people, maintain a high morale, press on without letup until all unfinished jobs are completed, and make new contributions to achieving an international railway soon.

Minister of Railways Li Senmao said in his speech: There will be a new railroad connecting Asia and Europe. It begins at Lianyungang on China's east coast and runs 8,000 li across five provinces and one autonomous region in China, and will connect with the Soviet railroad at Alashankou. The newly completed section will become a new important passageway connecting China to the Middle East and Europe. The areas along the Lianyungang-Lanzhou Railroad and the Lanzhou-Xinjiang Railroad will be connected to the outside world both through a sea route to the east and through the newly completed railroad to the west. The new railroad

will help to shift the stress on China's economic development from east to west, and will have far-reaching significance for the promotion of China's four modernizations.

Present at the meeting were Yang Baibing, member of the Secretariat of the CPC Central Committee, secretary general of the Central Military Commission, and director of the PLA General Political Department; Wang Enmao, vice chairman of the National Committee of the Chinese People's Political Consultative Conference and chairman of the Xinjiang Autonomous Regional Advisory Committee; responsible persons of the state departments concerned; and other guests. Also present were leading comrades of the autonomous regional party, government, and army organizations and the Xinjiang Production and Construction Corps. They included Song Hanliang, Janabil, Li Shoushan, Amudun Niyez, Zhang Sixue, Ba Dai, Tang Guangcai, Shi Geng, Huang Baozhang, (Guo Gang), (Liang Guoying), (Li Jiayu), Mao Dehua, Meihemaiti Simayi, Gao Huanchang, Ulatiyefu, (Liu Shuangquan), (Simayi Maihesuti), and (Zeng Jifu).

General Secretary Jiang Zemin zealously cut a ribbon for the first train leaving the Urumqi West Station for Alashankou. The train left for Alashankou yesterday.

Qiao Shi: Stability Remains 'Overwhelming Task'

OW3108142590 Beijing XINHUA in English
1404 GMT 31 Aug 90

[Text] Zhengzhou, August 31 (XINHUA)—Qiao Shi, a member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China, said that the deepening of the reform should be carried out steadily while continuing the economic rectification.

Qiao made the remark during his visit to Henan Province from August 23 to 30. There he also stressed that stability remains an overwhelming task.

To develop the economy is the fundamental way to maintain the political situation of stability and unity and ensure long-term stability for the country, he said.

Qiao said that it is necessary to maintain the party's line, principle and policies adopted since late 1978, including the policies on the development of rural enterprises and private economy.

He noted that it is necessary to keep a close link between the leadership and the people. Senior leaders should take a lead in this aspect while leaders at prefectural, city and county levels should make greater efforts to go deep among the people and serve the people wholeheartedly, he said.

Qiao Shi Inspects Henan Province 23-30 Aug

OW0109144990 Beijing XINHUA Domestic Service
in Chinese 1142 GMT 31 Aug 90

[Text] Zhengzhou, 31 Aug (XINHUA)—While improving the economic environment and rectifying the economic order, reform should also be deepened in a steady manner.

From 23 to 30 August, accompanied by Henan's provincial party committee Secretary Hou Zongbin and Acting Governor Li Changchun, Qiao Shi successively inspected Xinyang, Zhumadian, Luohe, Xuchang, Zhengzhou, Kaifeng, and Luoyang prefectures and cities. On the way, he took in-depth visits into peasants' houses, workshops, and experimental farmlands, and cordially talked to cadres, workers, peasants, and intellectuals at the grass-roots level in order to understand their production, work, and living conditions and listen to their views. Qiao Shi highly appraised the results achieved in various fields of work and the tremendous changes in the urban and rural areas in Henan since the holding of the Third Plenary Session of the 11th CPC Central Committee.

During his inspection tour, Qiao Shi met with leading cadres of the party, government, and Army at the provincial, prefectural, and city levels; heard work reports by the Henan provincial party committee and the provincial people's government, and also spoke at the meetings. He said: At present, although the world is beset with various complicated contradictions and recurrent local conflicts, peace and development still remain the main trend of the world today. This presents a rare opportunity for doing a good job in building socialist modernization. Domestically speaking, stability is still the overwhelming task. In order to maintain the political situation of stability and unity and realize long-term peace and stability in the country, the most fundamental thing is still to promote economic construction by every means.

Qiao Shi said: Agriculture is the foundation of the national economy. To realize a sustained, steady, and coordinated development of the rural economy, we must pay special attention to maintaining the stability and continuity of the line, principles, and policies formulated since the convocation of the Third Plenary Session of the 11th CPC Central Committee, including the policies for developing village and town enterprises and individual business operations. Village and town enterprises must be developed in a planned and guided manner. The development of collective economy and large-scale business operations should be implemented on the basis of being conducive to further whipping up the enthusiasm of the peasants and tapping the resources in the rural areas. We must do a good job in carrying out various tasks on the premise of stability, and open up a road of socialist agricultural development which suits the situation in China.

Qiao Shi said: To develop economy, we must take note of the relationship between improving and rectifying the economy and deepening the reform. The results of improving the economic environment and rectifying the economy in the past two years are conspicuous. We must continue to grasp the work. At the same time, we must also rely on the masses for making efforts to deepen the reform. All those which should be reformed must be reformed in a continuous and steady manner. Of course, we must not be too eager for quick success. We will surely land ourselves in a position contrary to our wishes if we go headlong for speed in developing economy. However, a certain speed is also necessary. In carrying out reform and developing the economy, we must constantly sum up our experience, and gradually find out a relatively stable and practicable way.

Touching on the question of strengthening party building and promoting close ties between party and masses, Qiao Shi pointed out: Since the convocation of the Sixth Plenary Session of the 13th CPC Central Committee, leading cadres at various levels have left their offices and gone deep among the masses to hear their views and help solve prominent problems at the grass-roots level with good results. The masses welcome their activities. In the future, we must continue this work, but we must not do it like "a gust of wind," lasting only for a short period of time, or practice formalism. We must genuinely and sincerely maintain close ties with the masses. Leading cadres at prefectural, city and county levels should concentrate their efforts to grasp work at the grass-roots level, establish close ties with the masses, and wholeheartedly do actual things for the masses. Cadres of the party should consider this as their basic task. We should have more cadres like Jiao Yulu who maintained close ties with the masses, relied on his own efforts, worked hard, and served the people wholeheartedly. Only in this way can party organization at the grass-roots levels be turned into powerful fighting bastions. Only in this way can we successfully accomplish various tasks and firmly ensure stability.

Qiao Shi said: The struggle which is currently being waged throughout the country in cracking down on serious criminals has achieved considerable results. The reaction of the broad masses is good. This is also a significant measure in safeguarding social stability and ensuring the success of improving and rectifying the economy and deepening the reform. We must keep it up and firmly carry it forward. At the same time, we must make strenuous efforts to strengthen the comprehensive work in improving public security, mobilize the entire society to work together under the unified leadership of party committees and governments at various levels, and establish a good social order once and for all. During his visit in Henan, Qiao Shi conducted an on-the-spot inspection at Zhangdi and Songzhuang villages in Xuchang City where remarkable achievements have been registered in comprehensive management of public security work and where for many years not a single criminal case or security problem has occurred. He fully

affirmed their experience in this respect and further pointed out: We must earnestly sum up and widely spread the experience in regard to the good work in comprehensively improving public security and formulate plans to strengthen the building of party and government organizations at the grass-roots level as well as the work of safeguarding public security.

Also accompanying Qiao Shi during his inspection tour were Wang Deying, secretary general of the CPC Central Commission for Discipline Inspection, and Shu Huaide, deputy secretary general of the Central Political and Legal Commission.

Chen Yun Favors Military Actions Against Taiwan

HK0409102090 Hong Kong PAI HSING in Chinese
No 223, 1 Sep 90 p 3

[Article by unnamed staff reporter: "CPC Assesses Taiwan's Military Strength—Chen Yun Favors Military Actions Against Taiwan, but Deng Xiaoping Prefers Waiting for Another Year"]

[Text] Last June, just as Taiwan's "business tycoon" Wang Yung-ching was visiting the mainland, the Central Military Commission held a military assessment meeting in Zhuoxian County, Hebei Province. Held under the name of "technical work meeting," the meeting made an overall assessment of Taiwan's military defense measures and combat capability. At the same time, it also studied and discussed the relevant military strength in East Asia. The conclusion was that communist China has an overwhelming superiority over Taiwan in terms of military power. Although Taiwan claims to be strong in military strength and solid in war preparedness, communist China still has assurance of success in the event communist China decides to use force against Taiwan.

Take Taiwan's "Heaven net program" as an example. The Taiwan side estimated that within six minutes of receiving a combat order, the aircraft groups taking cover in Eastern Taiwan's mountain caves can take off to meet the approaching aircraft, while it usually takes eight minutes for communist Chinese fighters to take off from Fujian's frontline, cross the strait, and reach Taiwan airspace. But communist China's medium-range missiles can be fired at the targets from their launching pads in Gansu at a high speed. The amount of communist China's missile stockpile is enormous. In a conversation when meeting with responsible persons of the Commission of Science, Technology, and Industry for National Defense, party elder Chen Yun laughingly said: "Your missiles will be no use if they are still not used." At the Fifth Plenary Session of the 13th CPC Central Committee held in November 1989, Chen Yun expressed the view that "it is necessary to consider using force against Taiwan" because "Taiwan is being cocky."

When hearing reports on the military assessment meeting in June, Deng Xiaoping issued an instruction: "Let's have a look for another year." In the event of a military conflict in the Taiwan Strait, Deng Xiaoping

made this remark: "The Kuomintang does not know its own limitations." He also said: "Nobody will fight according to Taiwan's simulated method of fighting."

After hearing reports in Beidaihe in July on work toward Taiwan, Deng Xiaoping gave a specific instruction: Taiwan should not be allowed any international space; it should only be left a little space in economy and trade. In line with this instruction, communist China's "Taiwan Affairs Office" held a Taiwan work meeting in Qingdao from 9 to 11 August to implement in terms of policy the issues on relations between both sides of the strait one by one. For example, how should the Taiwan investment and development zone management commission be organized; how should the Taiwan currency, which has been circulated semi-openly in the Xiamen Special Zone, be dealt with; and what reaction should be given to Taiwan's repatriation of mainland people stealing into Taiwan, which resulted in manslaughter.

At the meeting, there was a strong reaction to the accident in which 25 stowaways from the mainland were suffocated to death in a ship in the course of being forcibly repatriated. This was considered to be a case involving human life and should not be treated casually. Some people even indignantly demanded that Taiwan be punished.

Li Ruihuan Concludes Inspection Tour of Tianjin

*OW0309224890 Beijing XINHUA in English
1458 GMT 3 Sep 90*

[Text] Tianjin, September 3 (XINHUA)—Li Ruihuan, a member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC), concluded a three-day inspection tour of the north China port city of Tianjin today.

After inspecting several projects directly beneficial to the people and listening to a work report given by the CPC Tianjin Municipal Committee and the Tianjin municipal government, Li encouraged the leadership of Tianjin to continue to work conscientiously and do concrete things directly beneficial to the people.

He also expressed his hope that Tianjin would make full use of its advantages to further open to the outside world and pursue economic development.

During his stay here, Li Ruihuan visited both Chinese and foreign workers and engineers engaged in the construction of the Beijing-Tianjin-Tanggu Expressway. He also visited some sections of the newly-expanded Beijing-Tianjin Highway, the renovated Tianjin airport, and the Tianjin broadcasting and TV tower, which is still under construction.

Further on Inspection

*HK0409064390 Beijing XINHUA Domestic Service
in Chinese 1336 GMT 3 sep 90*

[Report by Shen Qifang (3947 0796 5364) and Zheng Hongwen (1728 1347 2429): "When Visiting Tianjin, Li

Ruihuan Stresses the Need To Do Something Practical for the People Year After Year"—XINHUA headline]

[Text] Tianjin, 3 Sep (XINHUA)—Li Ruihuan, Standing Committee member of the CPC Central Committee's Political Bureau and member of the Secretariat, inspected Tianjin from 1 to 3 September. He examined several projects carried out for the well-being of the Tianjin people, and listened to a work report by the city party committee and government. He demanded preserving the good trend of conscientiously doing something practical for the people and expressed the hope that Tianjin will use its comprehensive strong points to open wider to the outside world and to work out a detailed method for economic development.

On 1 September Li Ruihuan left Beijing for Tianjin by car via the Beijing-Tianjin expressway. On the Zhenglou flyover Li Ruihuan met some builders on the western section of the expressway in Tianjin. He expressed his kind regards and respects to them. He said: People are paying more and more attention to communications following the continuous development of economic construction. It can be said that without the development of communications, it is impossible to carry out socialist modernization, reform, or opening up. The Beijing-Tianjin expressway will greatly shorten the distance between Beijing and Tianjin and will play an important role in improving the export capacity of Tianjin port and in expanding the scope of Tianjin's opening up. He praised the builders for having completed this section of the project within a short time, adding that they had made a contribution to the Asian Games. Li Ruihuan also met foreign engineers who participated in and supervised the expressway construction, and expressed his thanks to them for supervising and ensuring the quality of construction.

For the sake of the Asian Games, the Tianjin Municipal Government expanded parts of the Beijing-Tianjin expressway and speeded up the improvement of Tianjin Airport. The new building at the airport was completed on 20 August. These were two important projects set by Li Ruihuan when he was mayor of the city. He was gratified to see the progress of the projects as a result of the common efforts of the Tianjin people and builders. These projects have been completed faster and better than expected. On 1 September Comrade Li Ruihuan cut the ribbon for the completion of these projects in the company of Tan Shaowen, secretary of the Tianjin Municipal CPC Committee; Mayor Nie Bichu; and Hu Yizhou, director of the General Administration of Civil Aviation of China.

After listening to the work report by the Tianjin Municipal Government, Li Ruihuan pointed out: It is necessary to implement the spirit of the Sixth Plenary Session of the 13th CPC Central Committee, to do something practical for the masses in the course of running a clean administration and strengthening ideological and political work, and to build closer ties between the party and the people. This is the basic condition for ensuring

stability. We should serve the people and do something practical for them year after year. All the tasks set for this year should be completed one by one. At the same time there is a need now to consider what to do next year and how to maintain the present good trend. He added: The completion of the Beijing-Tianjin expressway and the improvement of Tianjin Airport will be of fundamental significance to the formation of a new sea, land, and air communications system centering on Xingang of Tianjin. Tianjin must study its own features and strong points, make efforts to strengthen its economic cooperation and exchange with the world, and do a better job in opening up to the world.

Li Ruihuan also inspected the ongoing project of the Tianjin television tower.

State Council To Discuss Draft Law on Handicapped
OW0209085090 Beijing XINHUA in English
0633 GMT 2 Sep 90

[Text] Beijing, September 2 (XINHUA)—A draft law protecting the rights of the handicapped, the first of its kind in China, was completed late last month and will soon be submitted to the State Council for discussion.

The protection law for the disabled consists [of] eight chapters and 50 provisions, involving rehabilitation, education, employment, recreational life, welfare, environment and legal responsibility of the handicapped.

The drafting of the law began in 1985 by the Ministry of Civil Affairs, China's Federation for the Disabled (CFD) and 14 other ministries and commissions under the State Council, which had consulted many disabled people, Chinese and foreign law experts before the work started.

Vice Chairman of the CFD Liu Xiaochen said that the draft law, featuring both the generalities of the disabled as ordinary citizens and their specific characteristics, is expected to provide protection for the country's handicapped in their employment, education, rehabilitation.

"The policies and regulations the Chinese Government has formulated in recent years have created favorable conditions for the drafting of the law," Liu added.

In the past ten years, China has made more than ten specific regulations and policies on the welfare of the disabled people, including the "Five-Year Work Plan for the Handicapped," "Suggestions on Developing Special Education," and "Regulations on Employment of the Disabled."

A sample survey conducted by the State Council in 1987 shows that China has 51.64 million handicapped people, representing 4.9 percent of its total population.

Song Ping Urges Exchange of Cadres

HK0409085090 Beijing LIAOWANG in Chinese
No 33, 13 Aug 90 pp 6-7

["Song Ping on Exchange of Cadres"—edited from Comrade Song Ping's speech at a meeting in Henan Province on 13 July]

[Text] Exchanging leading cadres at a certain level, especially senior leading cadres, on a national scale is a very meaningful thing.

Our party has always attached importance to the exchange of cadres. Our revolutionaries of the older generation have worked in numerous posts. Some have done party, Army, economic, cultural, united front work and so on and have undergone tempering in many ways. For this reason, our revolutionaries of the older generation are all talented politicians with rich work experience and some are also military experts and strategists. Chairman Mao, Premier Zhou, Comrade Shaoqi, and Comrade Zhu De were precisely such examples.

In the course of his growth, a person, especially a leading cadre, should be tempered in many ways. When a cadre is tempered in many posts, it is also easy to discover his strong points and find a work post which can bring his speciality and talent to the fullest play. If a cadre works in a place or a post for a long time, the accumulation of his knowledge and experience will be limited. It is very good to have exchanges after a certain time. Exchange of cadres will help cadres undergo training on a wider scope, broaden their horizons, accumulate experience, and enhance their abilities. This is an effective way to make cadres grow more satisfactorily.

Exchange of cadres can be conducted between different places or posts. Some of our cadres are specialized or technical personnel. In assigning college graduates, of course we should try as far as possible to match their specialties with their work but it is very difficult to match them completely. This is because science is constantly developing and what we learned in the past should be updated constantly. Peripheral sciences often come into being through the combination of different branches of learning. Therefore, it is also useful for specialized personnel to have appropriate exchanges between different posts. Whether exchanges between different places or between different posts, they are all useful. If a cadre works for a long time at a post, it is good for him in so far as it enables him to get familiar with his own job. There are also shortcomings. If there is an exchange, it can broaden his horizon and play the role of mutually complementing knowledge.

What should we do to enable our cadres to develop in an all-around way and enhance their abilities and grow more quickly? Exchanging cadres and rotating posts are very important forms. Our leading cadres, say, provincial governors, should be well-rounded. They should be

familiar with economic work, but can they leave education alone? Can they leave public health alone? Moreover, they should manage everything, such as civil affairs and public security. Whenever there are problems in work, governors should supply ideas. If a cadre only has experience in a certain aspect, it will not be easy for him to adapt himself quickly as a governor and it will take a fairly long time. If he can first undergo some training in different posts and then be promoted as a provincial governor, it will be fairly easy for him to adapt himself.

There was a major replacement of cadres in 1982-83. In the course of replacing old cadres with new, many old comrades retired and many new ones were promoted. Some new comrades were promoted from schools, designing units, and research institutions. They were more revolutionary, younger in average age, better educated, and more professionally competent. The only problem was that their work experience was rather too simple, that they lacked experience in giving overall leadership, and that they often found the work too much when they were promoted all at once as vice governors, provincial department heads, or bureau chiefs. If we turn our minds to the early post-liberation period, it seemed relatively easy to choose a provincial party committee secretary or governor because, although the cadres at that time did not have a lot of experience in leading economic construction, they had some experience in other leadership work. They had experience in local work, military work, and were engaged more or less in construction in liberated areas and so they had a relatively strong capability to adapt themselves in new leadership posts. After liberation of the whole country, the situation stabilized. Many cadres have worked in a locality or work post for 10 to 20 years. The war years needed people but they also tempered and tested people. How could you work in a place for several decades? You were placed where you were needed. If you did not know how to do it, you should learn and enhance your ability through practice. In this way, cadres could grow rapidly. If they refused to accept training and test and did not strive for further progress, they would naturally be eliminated through selection and competition.

Exchanging leading cadres in a planned way represents an important measure for training and tempering cadres and improving their quality and an effective way to extensively find competent personnel. If, through tempering in several different posts, a cadre can give a good account of himself, it shows this cadre is indeed quite outstanding and that, if appointed to take up a greater responsibility, he is relatively sure to be equal to the task. Exchange of cadres will also help cadres to go ahead boldly in a new environment. If a cadre works in a place for a long time, one may be quite familiar with the situation, but it is unlikely that one will be so sensitive to new things and one tends to develop bureaucratism and subjectivism. Moreover, it is also hard to get away from some complicated ways of the world, but one will not be affected by these factors if one goes to a new place. One will be relatively more detached and it will be easier for

oneself to have a free hand in work and to bring his wisdom and ability into fuller play.

Having received the party's education for many years, our senior cadres have displayed a strong party spirit and a strong sense of organization. A previous common saying goes, it is hard to leave the native land. Having worked and lived in a place for a long time and had a profound feeling for the local people and cadres and the local conditions, it is only natural that they should be reluctant to leave. But even so, many comrades comprehended and supported the central decision and cheerfully accepted the party's arrangements and took up new posts. When the exchanged comrade comes to a new place, they are unfamiliar with the local conditions and it is hoped that everyone will support their work and help them become familiar with the conditions and make correct policy decisions in the course of work. On their part, they should promote a democratic style, listen more to the views of the comrades, including the views of old comrades who have retired and comrades from the democratic parties and other quarters. They should pay attention to pooling the wisdom of the masses and fully promote democracy. I am sure that, after the exchange, they will be able to do their work well.

Leftists Led by Deng Liqun Preparing for Plenum

HK0509015590 Hong Kong SOUTH CHINA
MORNING POST in English 5 Sep 90 p 9

[By Willy Wo-lap Lam]

[Text] Leftist ideologues have mounted an offensive to impose an orthodox Marxist line in the run-up to the seventh plenum of the central committee, due to be convened soon after the Asian Games.

Chinese sources in the capital say the leader of the onslaught is former head of the Propaganda Department, Mr. Deng Liqun, 75, who is running for a seat on the ruling Politburo.

Even though he is only an ordinary member of the advisory council, the Central Advisory Commission, Mr. Deng has boosted efforts to control the nation's media and ideological workers.

The sources said, in the past fortnight, Mr. Deng had organised a seminar on socialist ideology at the north China seaside resort of Beidaihe.

Those who attended the course included the senior editors of national media organisations and political and ideological specialists in key party and government units.

"Mr Deng himself did not attend the seminar but he had laid down the specific topics to be covered in the course," a source said.

"They included the need to persist with class struggle and the campaign against bourgeois liberalisation as well

as to implement reform in such a way that the socialist nature of the economy will not be jeopardised."

Mr Deng has also been putting the finishing touches to a plan to revive Red Flag, the theoretical magazine of the party central committee noted for its orthodox leanings.

In mid-1987, when liberal leader Mr. Zhao Ziyang was still general secretary of the party, he downgraded the journal by changing its name to Seeking Truth and putting it under the Central Party School.

Most of the senior editors of the two journals, including former Red Flag director Xiong Fu and chief editor of Seeking Truth Su Xing, are longtime associates of Mr. Deng.

"The ideologues will not set their mind at ease until the rightful status of Red Flag has been rehabilitated," said a Western diplomat.

As proof of Mr. Deng's rising authority, analysts point to the fact that he chaired a much-publicised meeting to commemorate Mr. Zhang Wentian, an early Marxist ideologue.

Last Sunday, Mr. Deng showed up at the premiere of the ballet Romeo and Juliet, which was choreographed by an American dance professor.

Chinese sources said the fast-rising ideologue is also behind a tough editorial in the People's Daily last Thursday, which warned that the party must never lapse in its struggle against bourgeois liberalisation.

The sources said the only cadres who seemed to be able to slow the momentum of the ultra-radicals were party General Secretary, Mr Jiang Zemin, and Politburo member Mr. Li Ruihuan, two moderate politicians hand picked by patriarch Mr Deng Xiaoping in June last year to act as a counter-weight to the leftists.

In a closed-door conference on media work in mid-August, both Mr Jiang and Mr. Li asked the nation's journalists to refrain from constantly mouthing orthodox slogans.

Mr Li, whose portfolio is ideology and propaganda, reportedly said it was appropriate during the "special period" after June 4 to saturate the press with Marxist rhetoric.

However, Mr Li pointed out, now that things had returned to normal, journalists should respect the truth and try to win over readers by factual, unadorned reporting.

In a just-ended trip to Tianjin, his old power base, Mr Li also noted that cadres should try to impress the people with "concrete good deeds", hinting that the masses would not be satisfied with mere appeals to patriotism.

Analysts say the leftist and moderate camps could stage a showdown at the seventh plenum, which, aside from the Eighth Five-Year Plan of 1991 to 1995, will discuss

contentious issues like the partial rehabilitation of Mr Zhao Ziyang and additions to the Politburo.

Journal Speculates on Leadership Reshuffle

HK0409152190 Hong Kong CHENG MING in Chinese No 155, 1 Sep 90 pp 11-12

[Article by Chiu Chen (5941 4176), CHENG MING special correspondent in Beijing: "The Seventh Plenary Session and Personnel Reshuffle"]

[Text] Since the beginning of this summer, there has been a new power struggle among Beijing's top leaders. Some veteran political leaders, including Chen Yun, Li Xian-nian, Deng Yingchao, Peng Zhen, Wang Zhen, Bo Yibo, and Xi Zhongxun, have been carrying out a series of activities behind the scenes, concocting a new personnel arrangement for top-level party and government leaders.

The Most Thorny Problem Is Not the Asian Games but...

What is the most thorny problem for the CPC's leadership core in September?

Is it the Asian Games?

Indeed, the Asian Games is a troublesome matter for them and they have been paying great attention to it. But a more knotty problem which makes them more nervous is not the Asian Games but the 7th Plenary Session which follows it.

The main subjects for discussion at the 7th Plenary Session will be: 1) Examination and discussion on the work of the Central Committee since 4 June last year; 2) United front work during the next 3 to 5 years, especially the major policies and principles for work concerning Taiwan (the recent united front work conference and Taiwan work conference will deliver their reports at the 7th Plenary Session); 3) Appropriate personnel readjustment at the top level; and 4) Discussion and examination of the Eighth 5-Year Plan and the 10-Year Plan. Moreover, the issue concerning Zhao Ziyang may also be placed on the agenda.

A Meeting for the Li-Yang Clique To Settle Accounts With Dissidents

At present, CPC top-level leaders are showing greater concern for the third question rather than the others, that is, the question of personnel readjustment.

Since 4 June last year, the CPC Central Committee has made an investigation into the case of former General Secretary Zhao Ziyang. At the same time, it has also investigated and examined all the party cadres and leading cadres in the State Council above the deputy minister level. Deng Xiaoping has repeatedly emphasized that stability is an overriding task. Although much evidence has been found to prove that many senior party cadres participated in or showed sympathy and support for the 1989 democratic movement, according to Deng

Xiaoping's instruction to Jiang Zemin on "having the matter discussed at an appropriate time 1 or 2 years later," most of them have not been touched except for very few personnel readjustments. But now, as the conservative forces are eager to settle accounts with the "questionable persons" within the party and above the deputy minister level, the 7th Plenary Session may possibly become a meeting to settle accounts with senior officials who oppose the Li-Yang clique.

Activities of Chen Yun, Li Xiannian, Deng Yingchao, and Others Behind the Scenes

As a matter of fact, since the beginning of summer, there has been a new power struggle among Beijing's top-level leaders. Some veteran political leaders, including Chen Yun, Li Xiannian, Deng Yingchao, Peng Zhen, Wang Zhen, Bo Yibo, and Xi Zhongxun, have carried out a series of activities behind the scenes, concocting a new personnel arrangement for top-level party and government leaders.

What then is the attitude of Deng Xiaoping, who has been emphasizing stability?

During the first 10 days of July, in the summer resort of Beidaihe, Deng Xiaoping listened to a report about convening the 7th Plenary Session, brought to him by Song Ping, Political Bureau member, and others. He then gave the following instructions: "Matters concerning the general orientation and situation should be decided by you all. What I want to repeat is still the two Chinese characters meaning 'stability.' Everything should be done around these two characters."

Deng Xiaoping's Opinions on Personnel Readjustment

Referring to the personnel issue, Deng Xiaoping emphasized: "No matter who is promoted or demoted, the matter should be conducive to maintaining stability within the party. Some people may have different views but they should not affect your decisions."

When talking about conflicts between Li Peng and Li Ruihuan, Deng Xiaoping said: "There are always problems within our party. Very often, the comrades who have just come to work in the central authorities are not working in step with those who were originally in the central authorities. They often disagree over trifles. Comrade Mao Zedong also criticized such a phenomenon many times."

After Song Ping told Deng Xiaoping that Chen Yun, Li Xiannian, and others had already submitted to the central authorities their opinions on personnel arrangements, Deng Xiaoping instructed: "All such opinions, including mine, are for your reference only. You are now the people in power and should have a good sense of political responsibility." Deng continued: "Of course, if the opinions of some veteran comrades are just the same as yours, the problem is solved!"

New Political Bureau Members Will Be Added While Few Will Be Ousted, but There Will Be Greater Changes in the State Council

Referring to concrete personnel arrangements, Deng Xiaoping only proposed that "the Standing Committee should be stable." At the same time, there should not be a great reshuffle of the Political Bureau nor of the Secretariat either. Otherwise, some people in the West and in Hong Kong and Taiwan would again make irresponsible remarks.

A friend, who has certain connections with high-level authorities, told me that according to Deng Xiaoping's instructions, some new members will be added to the Standing Committee and the Political Bureau. It is unlikely that a large number of the original members will be ousted. But there will be greater changes in the State Council, including vice premiers and ministers. As to whether Rong Yiren will be appointed vice president of the state, it is said that Deng has already approved it but it is still not known whether this is the final decision.

It Is Said That Zhu Rongji, Zou Jiahua, Yang Baibing, and Qian Qichen Will Be Appointed to New Posts

There have been many rumors in Beijing lately. It is said that Zhu Rongji, mayor of Shanghai, and Zou Jiahua, minister of the State Planning Commission, will enter the Political Bureau, while Yang Baibing and Qian Qichen will enter the Secretariat. It seems that these rumors may not be entirely groundless. But there is also another rumor, saying that Deng Liqun will possibly enter the Political Bureau. That is obviously sheer nonsense. People in the know say that although he (Deng Liqun) has done his utmost to win people over by all possible means, he will never get the approval of Deng Xiaoping and Jiang Zemin. How could he, who was even unable to enter the Central Committee at the 13th CPC National Congress, get into the Political Bureau? This can happen only if Hu Qiaomu or Xu Weicheng becomes party general secretary. But is that possible?

It Is Still Difficult for the Enlightened Faction To Gain the Upper Hand

The personnel arrangement at the 7th Plenary Session and personnel readjustment in the State Council will have an important bearing on the future of the CPC. People are hoping the enlightened faction will gain the upper hand in the struggle for a redistribution of power. But it seems it is still difficult for them to win under the current situation.

Rules for Admitting New Party Members Formulated

*OW3108182390 Beijing Domestic Service
in Mandarin 0930 GMT 31 Aug 90*

[From the "National Hookup" program]

[Text] The CPC Central Committee's Organizational Department formulated, in accordance with the party constitution, a set of rules for the CPC on admitting new

party members in order to improve the work of admitting new party members, to ensure their quality, and to ensure that party organizations are resolute and pure. The rules will be put into effect throughout the party beginning tomorrow.

These rules constitute a statutory document for the party on admitting new party members. It is also a summation of the party's experiences in the work admitting new party members over the past many years. The rules contain specific and explicit stipulations for the entire process of the work to admit new party members. These rules are highly applicable.

The rules call on grassroots party organizations to strengthen education, cultivation, and inspection of activists to be admitted to the party; to admit probationary party members in strict observance of procedures; to do the work of educating and inspecting probationary party members well, and make them a full party member.

The rules stress that party committees at all levels must include the work of admitting new party members as an important item on their agenda and effectively improve guidance over this work. Offenses in connection with admitting new party members in violation of discipline must be strictly punished. Those who are admitted to the party in violation of the provisions of the party constitution shall not be recognized. Moreover, those responsible for discipline violation shall be criticized and educated or given disciplinary punishment, if necessary.

The formulation and implementation of the rules are of great significance for adhering to the principle of strengthening discipline among party members, for strengthening the building of party members, and for raising the party's fighting power.

The rules stress that the work of admitting new party members is always a piece of important work in the building of the party. Party organizations at all levels should proceed from the requirement of implementing the party's basic line, stick to the standard required by the party constitution and the rules in order to ensure quality, and carry out the work of admitting new party members in a planned and guided way.

CPPCC Inspection Group Holds Forum

SK0109045190 Harbin Heilongjiang Provincial
Service in Mandarin 2100 GMT 30 Aug 90

[Text] The national Chinese People's Political Consultative Conference [CPPCC] inspection group held a forum with leaders of provincial departments concerned on the province's situation in invigorating agriculture with science and technology at the auditorium of the provincial CPPCC Committee on the morning of 30 August.

The 37-member CPPCC inspection group led by Zhong Shitong, member of the Standing Committee of the National CPPCC Committee, arrived in Harbin on 20

August. During the 10-day inspection, the group inspected some farms, villages, and towns in Jiamusi, the Sansheng Village in Yushu Township of Daoli District in Harbin City, and the provincial Academy of Agricultural Sciences, and had a widespread contact with the grass-roots work. At the forum, members of the inspection group highly appraised our province's achievements in invigorating agriculture with science and technology, and exchanged views with our provincial leaders on the issues of our province's grain production situation, the rational use of natural resources, development of agricultural technology, and scientific management, which they comprehended during the inspection.

Provincial leaders including Shao Qihui, Wang Zhao, Zhou Wenhua, and Zhang Li attended the forum. On behalf of the provincial party committee and government and the cadres and masses throughout the province, Shao Qihui expressed thanks to members of the inspection group who feared no hardships to make inspections in our province and to give guidance in various aspects. Responsible comrades of the provincial agricultural, grain, and water conservancy departments, also attended the forum and introduced the province's actual situation in invigorating agriculture with science and technology to the inspection group.

Democratic League Leader Barred From Taiwan

HK0109031590 Hong Kong SOUTH CHINA
MORNING POST in English 1 Sep 90 p 8

[Text] A mainland democratic party leader has attacked Taiwan's anti-communist rules which are barring him from attending the funeral of his uncle, Professor Chien Mu, a leading historian who died in Taipei on Thursday.

Under existing rules, mainlanders who want to visit Taiwan must sign a declaration on entry denouncing their relationship with any communist organisations in China.

Professor Qian Wei-chang, who is a vice-chairman of the Chinese People's Political Consultative Conference (CPPCC) and vice-chairman of the Chinese Democratic League, said in Beijing yesterday the requirement was "unreasonable."

He was told about his uncle's death yesterday and had made some telephone calls to Taipei about the funeral arrangements.

"It has been decided that the funeral will be postponed," he said.

Although it is known that Professor Qian is not a Communist Party member, his senior position in the CPPCC, a high-level political consultative group on the mainland, has become an obstacle for a visit.

Professor Chien's daughter, Ms. Qian Yi, who is a professor of environmental engineering at the Qinghua University in Beijing, is also preparing to go to Taiwan for the funeral.

She caused a controversy when she made a surprise visit to her father in Taiwan two years ago.

The Taiwan Government was criticised for breaking the entry requirement after it was revealed that Professor Qian was a member of the Chinese Communist Youth League.

But it is expected that Professor Qian will be allowed a second trip to Taiwan.

Beijing Weekly on Adherence to Socialism

OW0509014990 Beijing BEIJING REVIEW in English
No 36, 3-9 Sep 90 p 4

[Article by Mu Youlin: "China's Stability—A Responsibility of the World"]

[Text] After the rapid change in the situation in Eastern Europe, some foreigners hoped that China would follow suit. Believing that "socialism has come to an end," they wanted China to reconsider the road it should follow. Even if such an idea were thought up out of concern for China's future and the world's destiny, to translate it into reality would have just the opposite effect.

First, the statement that "socialism has come to an end" lacked analysis and was made in an arbitrary manner. At least such a conclusion does not apply to China. An unbiased person can see that China's achievements in its 40 years of socialist construction are without compare in old China and by no means inferior to other countries under similar conditions but practising capitalism. The setbacks and errors which China has had in the past are not the faults of the socialist system itself, but, rather, were caused by erroneous guidelines and a rigid management system and methodology. With the implementation of the policy of reform and opening to the outside world since late 1978, China has corrected these shortcomings and errors and brought the superiority of socialism into fuller play. This constitutes a decisive factor for the doubling of the 1980 gross national product (GNP) in the 1980s.

It should be noted that the socialist road, an historical choice of the Chinese revolution, accords with the wishes of the Chinese people and has been written into the Constitution; it is the foundation of the country. If China, a large country with a population of 1.1 billion, gave up socialism and followed the capitalist road, it would inevitably lead to polarization between the poor and the rich. Even if 100 million people became wealthy, there would still be 1 billion people living in poverty. The overwhelming majority of the Chinese people thus will never let this happen. To follow the capitalist road would undermine the political and economic foundation of the country's unification, dissipate the cohesive force which political stability and unity rely on, and result in different political factions and turmoil.

In fact, many people involved themselves in Beijing's turmoil last year out of discontent over corruption,

official profiteering, inflation and unfair income distribution. Unlike the turmoil-plotters' demand for capitalism, their motive carried an anti-capitalist nature.

Having experienced the decade-long chaotic "cultural revolution" (1966-76) the Chinese people still have a fresh memory of its disastrous consequences and abhor turmoil. If the conspiracy to negate socialism and create internal disorder in China were allowed to succeed, it would mean recurrence of civil war. There would be a forest of factions, each dominating a region, each doing things in its own way and, in the process, each trying to eliminate the other. Factory production would stop, traffic would come to a halt, farmers would leave the farms and people's livelihood would be insecure. Under such a situation, what human rights would there be? People would flee the country and there would be, not just 1 million or 10 million, but 100 million Chinese refugees. Suppose 1 million people flocked to Hong Kong, or if tens of millions of people swarmed to Southeast Asia, could Hong Kong and Southeast Asia bear the pressure? No country, including the United States, in the world could put up with such a situation. As has already been seen, the appearance of Vietnamese, Kampuchean and Afghan refugees created a situation so serious that some countries and regions had difficulties coping. If millions of Chinese refugees emerged worldwide, what kind of picture would they create in the world? It can be said with certainty that such an event would cause international unrest and that the part of the world to be affected first would be the most hopeful Asia-Pacific region.

Therefore, a responsible statesman should not throw China into chaos, nor should China take disturbances on itself. Maintaining stability in China is not only in China's own interests, but also a responsibility to the world and humanity.

China plans to achieve its second strategic goal of development in the 1990s of redoubling its 1980 GNP and reach its third development strategic goal by the early 21st century. The most important conditions for these tasks are a peaceful international environment and a stable domestic situation. To maintain domestic stability and unity, China must follow the socialist road. The historical facts of the past 41 years after the founding of New China clearly demonstrate that the problem facing China today is no longer one of which road to take, but one of how, motivated by the policy of reform and opening up, to continue to eliminate the drawbacks in our current system and work, gradually perfect the socialist system and give full play to its superiority. This great historical process started 11 years ago has brought tremendous benefits to China and has won the support of the Chinese people. It is therefore irreversible and there is no reason whatsoever to change it.

Qin Jiwei Cuts Ribbon for Opening of Expressway

SK0209062090 Shenyang Liaoning Provincial
Service in Mandarin 2200 GMT 1 Sep 90

[Summary] The Shenyang-Dalian Expressway officially opened to traffic on 1 September. A ceremony marking the opening was held that day. Lin Sheng, vice governor of Liaoning, declared the ceremony open. He said that party and state leaders attending the ceremony were General Qin Jiwei, member of the Political Bureau of the CPC Central Committee, state councillor and minister of national defense, and Comrade Zou Jiahua, state councillor and minister of the State Planning Commission. "Other leading comrades attending the ceremony were Liu Jingsong, commander of the Shenyang Military Region; Sun Weiben, secretary of the Heilongjiang provincial party committee; He Zhukang, secretary of the Jilin provincial party committee; Quan Shuren, secretary of the Liaoning provincial party committee; and Yue Qifeng, acting governor of Liaoning Province."

Yue Qifeng, acting governor of Liaoning, and Qian Yongchang, minister of communications, spoke at the ceremony. "At 0940, General Qin Jiwei, member of the Political Bureau of the CPC Central Committee, state councillor and minister of national defense; Zou Jiahua, state councillor and minister of the State Planning Commission; Qian Yongchang, minister of communications; and Quan Shuren, secretary of the Liaoning Provincial CPC Committee; cut the ribbon for the opening."

Official Greet Taiwan, Hong Kong Asian Athletes

OW0409104890 Beijing XINHUA in English
0745 GMT 4 Sep 90

[Text] Beijing, September 4 (XINHUA)—A senior government official expressed his best wishes today to the athletes from Taiwan, Hong Kong and Macao who will participate in the up-coming Asian Games.

Chen Xitong, state councillor and chairman of the Organization Committee of the Beijing Asian Games, also expressed his hope that all the contestants to the games will set even higher records.

The gathering of contestants from the mainland, Taiwan, Hong Kong and Macao will help deepen brotherly affection among them, Chen said when reporting the preparation for Asian Games to the on-going 15th meeting of the Standing Committee of the National People's Congress.

"We sincerely wish athletes from Taiwan, Hong Kong and Macao to have excellent performance at the coming games," he said.

On the impact of the current Gulf crisis on the games, he said that with joint efforts of concerned parties and olympic committees of all the Asian countries and regions, the political disputes will not effect the games.

He expressed the hope that the games will make a positive contribution to the unity among Asian peoples.

Security Forces 'Boosted' for Asian Games

HK0509015390 Hong Kong SOUTH CHINA
MORNING POST in English 5 Sep 90 p 8

[By Willy Wo-lap Lam]

[Text] China has boosted security forces in the capital to ensure law and order during the Asian Games and to defuse possible challenges to the regime by remnants of the democracy movement.

Diplomatic sources say since the imposition of martial law in May 1989, the population of the capital has swollen by over 100,000.

The majority of the reinforcements are members of the People's Liberation Army (PLA) transferred to Beijing from other military regions to enforce martial law.

After martial law was lifted last January, a large contingent of the soldiers remained in the guise of the paramilitary People's Armed Police (PAP).

"An estimated 220,000 soldiers from the nation's seven military regions were transferred to Beijing at the height of the democracy movement," said a Western diplomat.

"Earlier this year, over 30,000 of these were recommissioned as PAP officers. They, together with their families, are expected to be stationed in the capital and its environs in the foreseeable future."

The increase in the number of residents has taken place in spite of the fact that in recent years, both the central government and municipal authorities have taken pains to limit the growth of Beijing's population, which is estimated at 10 million.

At the same time, both PLA and PAP authorities have had recruitment drives among rural residents on the outskirts of the city.

Chinese sources said in recent months, rural residents, including farmers who used to work in depressed agrarian enterprises, had been offered three to five-year contracts to serve in the Beijing unit of the PAP.

Upon satisfactory completion of their contract, they would be employed on a permanent basis and given much-coveted residency permits in the capital.

Western military analysts say as a result of aggressive recruitment drives nationwide, the ranks of the PAP have grown by at least 30,000 in the past year.

To accommodate the newcomers, municipal authorities have implemented the so-called 590 Engineering Project to build quarters and offices.

Western diplomats say that aside from demonstrations by students and other pro-democracy activities, the

attention of the law enforcement officers during the Games will be focused on two types of incidents.

The first is "terrorist acts", especially bombings. Since the June 4 crackdown, army and mining units have reportedly lost a large quantity of explosives.

For example, police in the county of Changping, just outside Beijing, are still trying to crack the case concerning a large consignment of explosives stolen from a geological team.

In recent months, citizens with grievances against the government have vented their anger by bombing trains and railway stations.

Beijing is also anxious about Chinese residents seeking political asylum during the Games.

The authorities recently briefed Games committees from participating countries on what to do if their staff were approached by Chinese residents seeking help to leave the country.

Contemporary Capitalism Criticized

HK3108115390 Beijing RENMIN RIBAO in Chinese
27 Aug 90 p 5

[Article by Chou Qihua (0092 0796 5478): "Have a Scientific Understanding of Contemporary Capitalism"]

[Text] Since the conclusion of the Second World War, many new phenomena have appeared in the development of capitalism. It is necessary to further understand contemporary capitalism. However, under the pretext of further understanding capitalism, some people have done their utmost to beautify and gloss over capitalism and totally negate Lenin's theory of imperialism and said that the theory of imperialism "has gone bankrupt," is out of date, and is divorced more and more from the actual situation. Such an incorrect understanding of contemporary capitalism is an important ideological foundation for the "theory of total westernization" preached by those who adhere to the bourgeois liberalization stand. If this trend of thought is allowed to run rampant, China's confidence in adhering to the socialist road will be shaken and our country's reform and opening up will be led astray toward capitalism. Scientific understanding of contemporary capitalism is of important significance to adhering to the socialist road and adhering to the socialist orientation of reform and opening up.

In the Course of Comparatively Stable Development of Contemporary Capitalism, the Activities of Monopoly Capital Not Only Have Not Vanished but Have Become Even More Serious

Since the Second World War, a series of new phenomena have appeared in the development of capitalism.

First, the new technological revolution has occurred. It has not only greatly enhanced the technological standard of existing production departments but has also opened

up many production departments, such as the macromolecular synthesis industry, nuclear industry, semiconductor industry, astronautical industry, and laser industry. Scientific and technological achievements are closely linked with their application in the course of production. In particular, extensive application of electronic computers in production brings about transformation of a revolutionary nature in production, changes the reliance on mainly manual labor to reliance on mainly mental labor in production, and makes the significance of intelligence-intensive production greater in the creation of social wealth. Science and technology became a main factor affecting economic growth and the enhancement of labor productivity.

Second, a monopoly has further developed. With the further concentration of production, monopolistic domination has been further strengthened. In a book "Who Administers the United States," Lowell Thomas, an American scholar, points out: "With the passage of time, actual strength is concentrated more and more in the hands of several large industrial companies. In the previous 25 years, the growth of the share of industrial assets controlled by the 100 largest companies was as follows: 39.8 percent in 1950, 44.3 percent in 1955, 46.4 percent in 1960, 46.5 percent in 1965, 52.3 percent in 1970, 54.9 percent in 1976. Such a phenomenon of concentration has been even more serious in communications, transportation, and public utilities than in industry. The 20 largest companies of 67,000 companies in these occupations controlled 50 percent of the aviation, railroad, telecommunications, electricity, and coal assets of the entire country... So was the concentration in financial circles." On this foundation, monopolistic domination has been further strengthened. In the middle of the 1970's, the market share of several large companies in the United States was: 90 percent of the airplane market (three large companies), 60 percent of the iron and steel market (four large companies), 90 percent of the aluminum market (three large companies), and 80 percent in the heavy-duty electrical equipment market (two large companies). The American motor vehicle trade had a total of 3,300 enterprises and four large companies, such as Ford Motor, General Motors, Chrysler, and U.S. Motors, that accounted for 1.2 per thousand, controlled 95 percent of the gross output of motor vehicles. With the rapid expansion of the actual economic strength of the large monopoly companies and financial groups, the degree of economic monopoly was further increased. The total amount of assets controlled by 10 large financial groups of the United States in 1974 reached \$1250.45 billion, which was 20.5 times as large as the total amount of assets controlled by eight large financial groups in 1935. The amount of assets controlled by 200 largest industrial companies in the United States in 1983 reached \$1140.43 billion, that approximated to the amount of assets controlled by 10 large financial groups in 1974. The sphere of influence of the financial groups involved only in several departments (such as iron and steel, petroleum, motor vehicles, and so

on) in the past but it now includes almost all departments, ranging from industrial production, communications, transport, and financial trade to public utilities, retail commerce, agriculture, catering, tourism, and amusement. The situation is the same in the other developed capitalist countries, such as Japan, the Federal Republic of Germany, France, and Britain. This signifies that monopoly capital has further strengthened control over economic life on the whole.

What especially warrants attention is that with the aggravation of the basic contradictions of capitalism, such as the integration of state and monopoly capital, state monopoly capitalism has developed unprecedentedly. Its specific manifestations are:

- The state-owned economy and the joint state-owned and privately owned economy developed quickly. At the end of the 1960's and beginning of the 1970's, investments of enterprises of these two categories in the total amount of investment were 33.5 percent in France, 30 percent in Britain, 28 percent in Italy, 24.1 percent in Japan, 22.7 percent in the Federal Republic of Germany, and 18.4 percent in the United States, being the lowest. These enterprises are tools of the monopoly bourgeois state by which to implement its policies. Through the supply of low-priced commodities and labor, high profits for private monopoly enterprises are guaranteed.
- The integration of state-owned monopoly capital with private monopoly capital runs through the entire course of the production, realization, and division of surplus value. The state provides private monopoly organizations with supplementary capital and achievements in scientific research in various forms, procures products they have made, and participates in the division of surplus value in the form of profits and taxes. Such integration strengthens the ability of the private monopoly organizations to cope with a crisis and difficulties.
- By means of financial policies, policies pertaining to confidence in the currency, and other economic policies, a state frequently macro regulates its economy and some states also conduct macro regulation of their economy in a "planned way" to a certain extent. Such regulation plays a part in mitigating a crisis and stimulating economic growth in a given period and to a given degree.

Third, under the strong pressure of the workers' movement, the monopoly bourgeoisie and the state have summed up their experiences in domination and pursued reformism to mitigate class contradictions. With the enhancement of labor productivity and the development of productive forces, they have regarded not infringing upon the high profits of the monopoly bourgeoisie as a condition and implemented a social welfare policy. Furthermore, they have sold a small portion of their enterprises' stock to their workers, absorbed some

workers in enterprise management, and paid wages agreed upon by the employees and employers.

Fourth, monopoly capital has been further internationalized. In the past, the internationalization of capital was mainly realized in the circulation sphere but is now further realized in the production sphere and as a form of productive enterprise capital export, multinational corporations have developed quickly. The traditional international cartel is replaced by the modern international monopoly league. The traditional international cartel is the international combination of private monopoly capital in the circulation sphere. The components of the modern international monopoly league are not purely private monopoly capital but state-owned monopoly capital (in the name of the state) and private monopoly capital that has a close connection with the state; the scope of the combination is not confined to the circulation sphere but is expanded to the production sphere. The EEC is an international combination of state-owned monopoly capital in the production and circulation spheres in the name of the governments of the states concerned.

Fifth, colonialism has taken a new form. Due to changes in the international economic and political conditions, to the political independence of many colonies and dependencies, and to the collapse of the old colonial system, old colonialism, with the monopolistic occupation of the colonies, nakedly violent control over them, and plunder as characteristics, has retired to the secondary position. Although neocolonialism outwardly recognizes the political independence of former colonies and dependencies, it actually does its utmost to indirectly control these countries economically and politically through all sorts of means. Where old colonialism was pursued, imperialist countries solely controlled their colonies and dependencies and guaranteed smooth progress in the export of the commodities and capital of their monopolistic organizations. Where neocolonialism is pursued, the export of commodities and capital of the monopolistic organizations became the imperialist countries' economic expansion to foreign countries and their economic and political infiltration into independent developing countries, making these monopolistic organizations an important means of their influence. Although the forms of both old colonialism and neocolonialism are different, their substance in terms of reaping high profits is the same.

Sixth, with the formation of the socialist system and emergence of the Third World, imperialist countries have adopted all sorts of measures to regulate their economic and political relations with foreign countries. On one hand, they have coordinated their mutual relations to mitigate conflicts between them, overcome difficulties and crises that confront them, and jointly cooperated with socialist and Third World countries, such as to form all kinds of international economic organizations, hold international conferences at different levels and even summit conferences, and coordinate their economic relations and political relations, including

international trade and international finance. On the other hand, under the pressure of the anti-imperialism struggle waged by developing countries and pressure exerted by socialist countries to treat developing countries in accordance with the principle of egalitarianism and mutual benefit, imperialist countries have had to adopt measures to coordinate their relations with developing countries, conduct "dialogues" with them, and under the premise of not infringing upon their own interests, in economic contacts with them, given certain "aid" and made certain "concessions" and transfer some obsolete technology and industries (mainly labor-intensive industries).

On account of the emergence of the above-mentioned new phenomena, together with changes in international economic and political conditions, the economy of the imperialist countries grew comparatively quickly for a certain period of time after the 1950s and all kinds of conflicts were mitigated.

The integration of the state with monopoly capital has given a "cardiotonic injection" to the imperialist economy and stimulated the development of the imperialist economy in a certain period and to a certain degree. The state directly and indirectly provides monopoly organizations with various subsidies and expands accumulated scale of monopoly capital, thus creating conditions for speeding up expanded reproduction by means of capital; as the state carries out "anti-crisis" measures in a planned way, the market problem is temporarily mitigated, thus reducing the impact of the economic crisis; the state makes a large amount of investments in and organizes scientific research and accomplishes a large number of scientific research projects that can hardly be accomplished by private monopoly organizations alone, thus promoting progress in science and technology. The decisive factor for economic development after the war was the new technological revolution. It was because the productive forces are the most active and most revolutionary factor in production and tends to accelerate development. The new technological revolution after the war raised the standard of productive forces by a wide margin. Through extensive application of the achievements scored in the technological revolution, the monopoly bourgeoisie or the imperialist countries have raised labor productivity by a wide margin and promoted the rapid development of production.

Because the economies of imperialist countries have grown quickly and all kinds of contradictions inherent in them have been mitigated, imperialism is temporarily in a comparatively stable state.

Contemporary Imperialism's Nature of Exploiting the People of Their Own Countries and Plundering the Third World of Its Wealth Remains Unchanged and No Panacea Can Enable Contemporary Imperialism To Cast Off Its Inherent Contradictions and Crisis

The comparative stability and development of imperialism has not eliminated the many kinds of contradictions inherent in it. Imperialism is still monopolistic

capitalism and its nature of seeking high profits has not changed. This means that imperialism must surely exploit the proletariat, the working people, and the people of developing countries and a struggle must be waged between imperialism and the proletariat, the working people, and the people of the developing countries, thus making conflicts and struggle unavoidable between the proletariat and the bourgeoisie, between imperialism and the developing countries, and among all imperialist countries.

Although measures adopted by monopoly bourgeois countries to regulate their economy plays a part in temporarily mitigating the crisis, they accumulate the factors that cause overproduction, giving rise to a serious crisis and stagnation (or low-speed growth). In fact, since 1973, the developed capitalist countries have had two serious world economic crises and entered a period of low-speed growth. The annual growth rate of the gross national product of five countries, including the United States, Japan, the Federal Republic of Germany, France, and Britain, dropped from 5.5 percent in the period from 1953 to 1973 to 2.4 percent in the period from 1973 to 1986. A turn in the economies of imperialism, plus changes in international economic and political conditions tends to intensify the many kinds of contradictions in imperialism.

1. Judging from the imperialist countries, relations between the exploiting bourgeoisie and the exploited working class have never changed. The combination of state and private monopoly capital has not weakened but domination by monopoly capital has strengthened and relatively stable, high profits for monopoly capital is guaranteed. State subsidies expand the accumulative ability of monopoly capital, promote application of new technology, greatly raise labor productivity, and strengthen production and possession of comparative surplus value. Where the length of the working days is shortened, the rate of surplus value apparently tends to increase. For example, the rate of surplus value of U.S. material production departments (except for agriculture, forestry, and fishery) was 236.7 percent in 1948, 241.2 percent in 1950, 247.6 percent in 1960, 255 percent in 1970, and 280.9 percent in 1977. The average rate of surplus value of energy, mining, processing, and building industries of the Federal Republic of Germany was 204.1 percent in the period between 1950 and 1952, 206.1 percent in the period between 1953 and 1957, 224.6 percent in the period between 1958 and 1965, 246.1 percent in the period between 1966 and 1970, and 265.1 percent in the period between 1971 and 1974.

When production develops relatively quickly, the livelihood of the workers improves but they have still not cast off their status as the employed and the exploited. When production develops slowly and stagnates, workers and other laborers are the first to be harmed.

During economic stagnation, the number of unemployed people increases sharply. The number of completely

unemployed people of the 24 member states of Organization for Economic Cooperation and Development rose from 6.5 million in the 1960s to 26.48 million (the average number from 1980 to 1988) in the 1980s, and especially reached 30 million at the end of 1982, the highest record after the war.

The high unemployment rate has put the families of millions upon millions of workers in a predicament. Social welfare services are far from relieving the unemployed of their suffering. For example, U.S. unemployment compensation is generally only 40 percent or so of the original wages and only one-third of the unemployed are able to obtain compensation. Many unemployed people live on social relief and donations only; to earn a living, many unemployed people are forced to roam about from place to place with their children. In 1978, some 45 percent of over 1 million unemployed in France could not get subsidies and 15.7 percent of the unemployed could get only 450 to 500 francs a month, slightly more than one-fifth of the lowest guaranteed wages set by the government. It is very hard to support a normal life on this small amount of money.

With a large increase in the number of unemployed people, the serious situation in which the supply of labor greatly exceeds demand, together with inflation and price hikes, resulted in a drop of workers' actual wages. The actual average weekly wage index of workers of private non-agricultural departments of the United States dropped from 100 in 1973 to 85.2 in 1982, a reduction of 14.8 percentage points in nine years and 3.5 percentage points lower than in 1963. Although the crisis ended and inflation was restrained in 1984 and 1985, actual wages still tended to decline. Actual average weekly wages in 1985 were only 85.9 percent of those in 1972.

In the period of economic stagnation, many bourgeois governments curtailed social welfare expenses and simultaneously, through an increase in taxes, shifted the burden onto the laborers. High taxes engulfed a fairly large part of wages income. A report by a U.S. economic policy research institute shows that since 1982, the U.S. Government has twice changed its tax laws, enabling rich people to benefit and causing losses to poor people: The amount of taxes paid by poor people from 1977 to 1988 increased 1.6 percent while those paid by rich people dropped 1.7 percent.

Because of the various reasons mentioned above, the number of poor people became larger and larger. The number of people living under the poverty line in the United States was 24.1 million in 1969, increased to 35.3 million in 1983, slightly dropped afterwards, and was still 31.9 million in 1988.

The gap between rich and poor has further widened. According to an investigation conducted by the U.S. national conditions general survey bureau, the richest families accounted for one-fifth of the total number of families and their share of income in total income was

40.9 percent in 1970 and increased to 43.7 percent in 1987. At the same time, poor families made up one-fifth of the total number of families and their share of income in the total amount of income dropped from 5.4 to 4.6 percent. Moreover, according to data in a report by the U.S. House of Representatives Ways and Means Committee in 1989, the average income of the richest families in the United States rose by 24 percent while that of the poorest families dropped 11 percent in the period from 1973 to 1987.

Obviously, all this has created conditions for the intensification of class conflicts at home.

2. Judging from relations between imperialist countries and developing nationalist countries, although the developing nationalist countries have acquired political independence, they are still in a backward state and are still attached to imperialism. They are still the production sites of important natural resources, places of investment, and markets for the commodities of imperialism. Imperialist countries do as much as they can to retain their privileges in former colonies on one hand and adopt neocolonialist methods to strengthen their expansion and infiltration into developing countries on the other hand. With the combination of state and monopoly capital and through the export of commodities and capital, they further their exploitation and plunder of the developing countries. Especially when imperialist countries confront an economic crisis and economic stagnation, they try in every possible way to shift onto developing countries the difficulties brought about by the crisis and stagnation.

Judging from the export of commodities, on the strength of their monopoly of the world market, monopoly capital does its utmost to lower prices for primary products mainly made and exported by developing countries and raise prices for industrial products mainly made and exported by developed countries. Through this "scissors difference" in prices, they exploit the peoples of the developing countries. Due to the "scissors difference" in prices caused by "buying at a high price, selling at a low price" in trade, developing countries incurred a loss of some \$130 billion from 1951 to 1973. In the 1980's, the "scissors difference" between prices of primary products and prices of industrial products still tended to widen. If price parity in the trade of primary products (containing no petroleum) for manufactured products was 100 in 1980, it dropped to 76.9 in 1988. Since the 1980s, developing countries in Africa, the Caribbean Sea, and the Pacific Region have only incurred a loss of \$150 billion from this. Furthermore, imperialist countries have also engaged in protectionism against some commodities exported by developing countries so that the exports of developing countries has dropped sharply and the deficit in their international payments has increased quickly.

Judging from the export of capital, the larger part of the loan capital exported by imperialist countries to developing countries are loans provided by private commercial banks and require a large amount of interest. This brings a heavy debt burden to developing countries. Before the 1970s, the majority of developing countries were able to pay principal and interest as scheduled. Since the 1980s, as imperialist countries have raised their interest by a big margin, the debt burden of developing countries has been suddenly made heavier. In 1982, Mexico announced that it was unable to pay principal and interest as scheduled and in only 1 to 2 years, about 30 countries were in a debt crisis. At the end of 1984, the total amount of foreign debt owed by developing countries reached \$1,000 billion, the amount of principal and interest that year was \$246.2 billion, of which \$51.2 billion was principal due, and the interest on loans was \$195 billion, which they had to use over one-third of their income from exports to pay. The total amount of the developing countries' debt reached \$1,320 billion in 1988. Many developing countries have had to tighten their belts in order to pay their debts to the imperialist countries.

In the wake of the development of multinational corporations, business capital exported (direct investment), the aim of which is to seek business profit, has increased very quickly. Economic benefits acquired by monopoly capital from this pattern markedly exceeded the interest on the loan capital exported. The interest rate of investment in developing countries markedly exceeds the interest rate of investment in the developed countries. The interest rate on direct investment made by the United States in the developed countries from 1975 to 1980 was 11 percent, 12 percent, 11.4 percent, 14 percent, 19.2 percent, and 16.6 percent respectively while the interest rate on direct investment in the developing countries was 29 percent, 25.3 percent, 24.9 percent, 23.9 percent, 32 percent, and 24.1 percent respectively. The great development of multinational corporations, therefore, provides the monopoly capital of the imperialist countries with a colossal amount of endless profits. The accumulated total of direct investment made by the United States in the developing countries by 1988 was \$76,837 million and profits between 1950 and 1988 only amounted to \$177,359 million, which was 230 percent of the amount of investment. Multinational corporations not only exploit developing countries economically but often also become the developing countries' "country of countries," do what ever they like there, and even do not hesitate to adopt measures for political subversion and military interference and become an important tool of the imperialist countries in pursuing neocolonialism.

Although developing countries have scored certain achievements in economic development, the economic gap between them and the developed countries has been widened. According to data published by the World Bank, per capita domestic gross output value of the developed countries was 14 times as great as that of

countries with moderate or low income in 1965 but the former was 23.46 times as great as latter in 1988; in 1987, the domestic gross output value of the developed countries whose population constituted 16.2 percent of the total population was 81.5 percent of the total amount of domestic gross output value whereas the domestic gross output value of countries with moderate income or low income whose population was 83.8 percent of total population was only 18.5 percent of the total amount of the domestic gross output value. (The countries with moderate income included a small number of non-developing countries. The total of population and total amount of the domestic gross output value were not the world total and gross output value but the total figures of the above-mentioned two categories of countries.)

The aggravation of imperialist exploitation of the developing countries and the widening gap between poor and rich countries will surely sharpen the contradictions and struggles between them. In fact, the struggle of developing countries against imperialism and colonialism has never ceased. In 1955, the Asian-African Bandung Conference clearly pointed out the orientation of the struggle against imperialism and colonialism to the developing countries. The establishment of the "group of 77 states" at the first UN Conference on Trade and Development in 1964 was the hallmark of the developing countries in taking the road of joint struggle in the international economic sphere. In particular, since the 1970s, developing countries have started a series of struggles, with the establishment of a new international economic order as the core.

3. Judging from relations among all imperialist countries, in the initial period after the war, Germany, Italy, and Japan were vanquished; Britain and France seriously weakened; and only the United States made a fortune from the war and became the hegemon of the imperialist world. At that time, industrial production in the United States accounted for half of the world's industrial production, its exports made one-third, and its gold reserve three-thirds; while industrial production in Britain, France, and the Federal Republic of Germany accounted for only one-fifth, their exports one-seventh, and their gold reserve one-fifteenth; and industrial production in Japan accounted for one percent, its exports 1/250, and its gold reserve 1/3300. In approximately 40 years after the war, uneven economic development was extremely conspicuous and the economic growth rates of Japan and the Federal Republic of Germany greatly surpassed that of the United States. This effected a tremendous change in the relative actual economic strength of all countries.

From 1950 to 1988, the proportion of domestic output value of the United States in the gross domestic output value of the 24 developed capitalist countries of the Organization for Economic Cooperation and Development dropped from 61.6 percent to 45.5 percent, that of Japan rose from 2.9 percent to 15.4 percent, and that of four countries of Western Europe (the Federal Republic of Germany, France, Britain, and Italy) rose from 22.2

percent to 22.6 percent; the proportion of exports of the United States in the total amount of exports of the 24 countries dropped from 28.2 percent to 16.3 percent, that of Japan rose from 2.3 percent to 13.4 percent, and that of the four countries of Western Europe rose from 34.7 percent to 38.8 percent. The amount of direct foreign investment of the United States accounted for 99.9 percent of the total amount of direct foreign investments of five countries, including the United States, Japan, the Federal Republic of Germany, France, and Britain and that of the other countries was inconsiderable; that of the United States dropped to 27.7 percent while that of Japan and the Federal Republic of Germany rose to 32 percent and 31.3 percent respectively. The capitalist world has now developed into a situation in which the United States, Japan, and Western Europe stand like the three legs of a tripod.

The change in relative actual economic strength plus the relative shrinkage of world market volume brought about by the economic crisis and stagnation have intensified the struggle of all imperialist countries for commodity markets and investment places.

In the international trade sphere, under acute competition from Japan and Western Europe, not only has the United States lost a part of the foreign market but also its domestic market has been nibbled away at by Western Europe and particularly Japan. At present, the United States has become the number debtor nation whereas the Federal Republic of Germany has become number one country with a trade surplus. To defeat their competitors, all countries have competitively engaged in protectionism and exerted pressure on one another or taken retaliatory measures.

In the international investment sphere, the contention is very fierce. In the initial period after the Second World War and in the 1950's, the United States exported capital to Western Europe and Japan; after the 1960's, especially after the 1970's, Western Europe and Japan stepped up its export of capital to the United States. The total amount of foreign direct investment in the United States rose from \$6.91 billion in 1960 to \$261.93 billion in 1987, an increase of 37 times. At present, the United States has become the biggest debtor nation (the net international debt at the end of 1988 amounted to \$532.5 billion) while Japan has become the biggest creditor nation (its net international financial claim in 1989 exceeded \$300 billion).

The United States which still has powerful actual economic strength will not candidly admit defeat and will launch a tenacious counterattack to turn the tide in its favor. This determines that the struggle for the market and investment places will surely become more acute among the United States, Japan, and Europe.

In addition, the United States, Japan, and Europe will also struggle for a leading position in science and technology and contend with one another in the area of high or low interest and exchange rates.

It can be seen that although the three big contradictions inherent in imperialism are relatively mitigated in a certain time for various reasons, their general tendency toward intensification remains unchanged.

The Comparative Stable Development of Contemporary Capitalism Cannot Change Its Fate of Certain Replacement by Socialism

Completely mastering the above-mentioned two basic points can enable us to avoid a one-sided understanding of contemporary capitalism.

On the hand, we must see that under the conditions of contemporary capitalism, the science, technology, and productive forces of some countries are likely to develop fairly quickly and even more quickly. Under the premise of not touching the capitalist system, these countries can suitably readjust their productive relations and mitigate all kinds of contradictions to a certain extent, and contemporary capitalism develops relatively steadily. Marxist and Leninist analysis on capitalist-imperialism originally includes this aspect but we lack a complete and accurate understanding of these basic principles. While expounding on the decadence of imperialism, Lenin pointed out: "If we think that rapid development of capitalism can overcome the tendency toward decadence. [as published] No, in the imperialist era, individual industrial departments, individual bourgeois strata, and individual states sometimes tend to show such tendency or another to different degrees." ("Selected Works of Lenin," Volume 2, page 842) In discussing the issue that imperialism is capitalism changing to socialism, Lenin pointed out: "It is likely to remain in a decayed state for a comparatively long period of time." ("Selected Works of Lenin," Volume 2, page 844) In another place, Lenin also said: The whole road of capitalism leading to socialism "is by no means smooth but unimaginably complicated." (Collected Works of Lenin," Volume 27, page 117).

On the other hand, we should not be puzzled by the phenomenon of temporary relative stability and development of the imperialist countries. The fact is not that the contradictions of capitalism have already been resolved and capitalism is everlasting, as some bourgeois apologists said. Historical development will prove that no panacea can enable imperialism to cast off its inherent contradictions and crisis and to avoid its fate that it will finally be replaced by socialism.

As long as we firmly believe in the historical inevitability of replacing capitalism by socialism and fully understand the long-term nature, complexity, and tortuousness of the transition from capitalism to socialism, whatever difficulties, setbacks, and relapses occur, we shall not shake in our confidence and shall unremittently carry the socialist cause through to the end!

Li Ximing Attends Miyun Dam Anniversary*OW0309120390 Beijing XINHUA Domestic Service
in Chinese 1240 GMT 1 Sep 90*

[By reporter Yan Zhenguo (7027 2182 0948)]

[Text] Beijing, 1 Sep (XINHUA)—The general headquarters in charge of the construction of Miyun Dam held a ceremony this morning to unveil a monument dedicated to those who have contributed to the construction of the dam. The ceremony was held, accompanied by the banging of gongs and beating of drums, at the site of the dam, which was decorated with colorful flags.

Wang Xian, chairman of the advisory commission of the Beijing municipal party committee and general director in charge of the dam's construction, officiated at the unveiling ceremony. Li Ximing, secretary of the Beijing municipal party committee, and Beijing city Mayor Chen Xitong unveiled the monument. Wan Li, Chen Muhua, and Qian Zhengying came to extend their congratulations on the occasion.

Today marked the 30th anniversary of the completion of Miyun Dam. The largest in north China, the dam has a storage capacity of 4.375 billion cubic meters, equivalent to 120 Kunming Lakes in Yihe Garden. Miyun Dam has made a tremendous contribution to the development of industry and agriculture in Beijing, Tianjin, and Hebei in the past 30 years. It also has improved water supply to the residents and beautified the environment in the areas. Miyun Dam has become the life's blood of the capital for its survival and development.

At the ceremony, leading central and Beijing municipal comrades extended their appreciation to those who built the dam for benefitting to the people. They also urged people in all walks of life to do their best to preserve this dam so that it can last forever to benefit future generations.

Li Tieying's Written Statement on Rural Education*HK0409111890 Changsha Hunan Provincial Service
in Mandarin 2200 GMT 2 Sep 90*

[Excerpts] On 2 September, Zou Shiyan, vice minister of the State Education Commission, relayed a written statement made by Li Tieying, member of the CPC Central Committee Political Bureau, state councillor, and minister of the State Education Commission, at a provincial work meeting on education.

After fully affirming the great development achieved by our province in education over the past 10 years, and tremendous achievements made in educational reform, Comrade Li Tieying stressed: We must continue to change the guidance thinking for rural education. He pointed out: At present, there are still some comrades who regard a proportion of students entering schools of a higher grade as a yardstick for assessing whether a school is well run. Due to the influence of traditional concept and the existence of a difference between town

and country, some peasants hope that their children can leave the agricultural sector through studying in universities and colleges. This is a social phenomenon which has existed objectively. The responsibility of leading comrades is to provide guidance and education in this regard. [passage omitted]

Comrade Li Tieying called on leading comrades at all levels to carry out in-depth investigations and studies with regard to the needs of rural economic construction and social development, and be clear about the aims of various educational reforms. He continued: The basic aim of rural educational reform is to change a social phenomenon that education is disconnected with economic construction and social development, and to establish mechanisms which ensure that education and local social construction develop in a coordinated way, and mutually promote each other to give impetus to all-around development of the building of the two civilizations in rural areas. To attain this aim, education must be brought into the course of serving local socialist construction. This is a major change not only in concept, but also in the educational system and structure, curriculum, teaching contents and methods, and training of teachers. [passage omitted]

Comrade Li Tieying stressed: The leadership and planning role of local party committees and governments must be strengthened. The understanding and actions of various departments must be coordinated. Under the unified leadership of local party committees and governments, various departments must support and cooperate with each other to jointly promote a smooth progress in rural educational reform.

Comrade Li Tieying emphatically stressed strengthening ideological and political education in schools. He pointed out: Our education is socialist education. The basic task of schools is to train builders for socialist construction and bring up successors to the socialist cause. Like schools throughout the country, rural schools must assign the prime importance to persisting in a correct political orientation, and strengthen education in upholding the four cardinal principles and patriotism. Rural areas have many different characteristics. In light of the practical ideological reality of rural students, we must educate rural youngsters and children, so that they love rural areas and their hometowns, work hard, and do their own bit for constructing a new socialist rural area.

In conclusion, Comrade Li Tieying hoped that in accordance with strategic ideology of catering to the needs of the four modernizations, the world, and the future, Hunan would continue to attach importance to, and do well educational work, and achieve still greater achievements in the 1990's.

Li Ruihuan at International Book Fair Opening

OW0109073590 Beijing XINHUA in English
0630 GMT 1 Sep 90

[Text] Beijing, September 1 (XINHUA)—The Third Beijing International Book Fair (BIBF'90) opened today, with Li Ruihuan, a member of the Standing Committee of the Political Bureau of the Chinese Communist Party's Central Committee, cutting the ribbon.

The book fair, held every two years since 1986, is being participated in by 260 exhibitors representing 1,400 noted publishing houses from 28 countries, regions, and international organizations. They have provided about 70,000 exhibits, which are mostly their latest publications.

Li Xu'e, director of the organizing committee of BIBF'90, said at the opening ceremony that the purpose of the book fair is to promote China's import and export of books, thus helping the country's scientific, technological and cultural exchange with other countries.

The organizer of the fair is the China National Publications Import and Export Corporation (CNPIEC). It has trade relations with over 2,000 publishers and book-sellers in 100 countries and regions the world over.

College Real-Life Practice Activities Stressed

OW0109080190 Beijing XINHUA Domestic Service
in Chinese 2043 GMT 30 Aug 90

[Text] Beijing, 31 Aug (XINHUA)—The Propaganda Department of the CPC Central Committee, the State Education Commission, and the Communist Youth League Central Committee recently issued a joint circular, calling on all local governments and schools of higher learning to ensure a good job in summarizing real-life practice activities of college students during the summer.

The circular stresses: All local governments and schools of higher learning should strengthen leadership over summarizing real-life practice activities to consolidate and expand the fruitful results of education. A good job done in summarizing real-life practice activities can not only help students who have taken part in activities to enhance further their ideological awareness, but also provide a very good opportunity for college students' education in general. All local governments and schools of higher learning should regard summarizing the fruits of the activities as an important task in the ideological and political education for students in the beginning of the school year. They should also pay close attention to and ensure a good job in carrying out this task. It is necessary to affirm the fruits and identify problems by deepening student awareness of the importance of adhering to the socialist road, fostering a concept of serving the people, integrating with workers and peasants, and combining theory with practice.

The circular calls on all schools of higher learning to organize students to summarize their real-life practice activities during a given period of time in the beginning of the fall semester. All schools should encourage students to educate themselves through active participation in summarizing and exchanging experiences in various forms.

The circular states: All local governments and schools of higher learning should summarize earnestly and study experiences and problems existing in real-life practice activities, as well as suggestions for unfolding and institutionalizing activities during future summer school vacations. Particular attention must be paid to summarizing, studying, and exchanging successful experiences of prefectures, cities, and counties in organizing the vast number of students who spend their vacation in their hometown.

According to reports, central and local party and government organizations at various levels and relevant departments energetically have supported schools of higher learning in launching real-life practice activities this summer. An unprecedented number of 1 million college students have taken part in the activities with gratifying results. Therefore, on the basis of summarizing experiences by all local governments and schools of higher learning, the relevant central department plans to convene a meeting at an appropriate time this year to commend units and individuals who distinguish themselves in the activities.

Flag-Raising Ceremony Compulsory at Schools

OW0409014190 Beijing XINHUA in English
1419 GMT 3 Sep 90

[Text] Beijing, September 3 (XINHUA)—The State Education Commission recently issued a circular stipulating that all primary and middle schools must ceremonially hoist the national flag every Monday, except in the case of exceptionally bad weather and during vacations.

The circular also stipulates that the ceremony must also be held on the occasions of important festivals and commemoration days.

All pupils and teachers must attend the ceremony, the circular says.

The holding of the ceremony is aimed at instilling patriotic and moral education into pupils, the circular says.

National Conference on Newspaper Management Held

SK0109041190 Hohhot NEIMENGGU RIBAO
in Chinese 3 Aug 90 p 1

[Text] How to strengthen management of current newspapers has become a new task for our country's newspaper management work in the new period. Taking this task as the central topic for discussion, the national conference on newspaper management work of press and

publications bureaus held by China Press and Publications Administration opened in Hohhot on 2 August.

China's newspaper industry has witnessed a great development since reform and opening up started. Due to imperfect administrative organs, however, chaos emerged for a time in the newspaper industry. In the three years after China Press and Publications Administration and the press and publications bureaus in various localities were established, they conducted rectification of newspapers twice. Some newspapers with political mistakes and in violation of managerial regulations were abolished, and the number of those with similar or commonplace content were reduced. At present, the country has 1,459 newspapers. With their structure gradually rationalized and their quality improved, the predominant position of party newspapers and major newspapers, and the further development of the guiding role of the media are guaranteed.

This conference is the first national one held particularly on newspaper management and from the angle of government administration. More than 50 representatives from the press and publications units of the 29 provinces, municipalities, and autonomous regions of the country will summarize their practice and experiences in newspaper management and discuss the provisional regulations on newspaper management and matters related to ratification and issuance of reporter identification cards.

The conference noted: The development of the newspaper industry, the stability of society and the self-prosperity of the newspaper industry all call for strengthening the management of newspapers. We should resolutely ban all illegal tabloids and control well the examination and approval of newly established newspapers and the publication and management of newspapers. We should accelerate the progress in the legislation of press, publication, and copyright to standardize the management of the newspaper industry. The conference pointed out: Efforts should be made to strengthen cooperation with pertinent departments, win the support and cooperation of the party's propaganda departments at various levels particularly, voluntarily accept party leadership, and win the support of party and government leaders at various levels. Efforts should be made to strengthen the contacts with industrial and commercial, financial, and cultural departments.

Zhao Zhihong, vice chairman of the autonomous region, and Wang Qianghua, deputy director of China Press and Publications Administration, spoke at the conference. Liang Heng, director of the newspaper management department of China Press and Publications Administration, gave a report on newspaper management.

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HK0509032790 Beijing RENMIN RIBAO in Chinese
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Article by Miao Yue: "Sixty-Six Years as a Teacher"

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Article by Ji Long: "Develop Collective Industries of Towns and Cities, Strengthen Economy Under Public Ownership"

Article by the Research Office of the Central Discipline Inspection Commission and the Investigation and Research Office of the Liaoning Provincial Discipline Inspection Commission: "Masses Within and Outside the Party Are Basic Forces in the Anticorruption Struggle—Investigation on How Dalian City Fights Against Corruption and Encourages Honesty"

Article by Qin Shuli: "A Good Form of Building Socialist Spiritual Civilization in the Rural Areas—Investigation on 'Ten Star Grade Civilized Peasant Households' Activities in Xingyang County"

Article by Chen Hui: "'Vanguard of the Times' or 'Cultural Crisis'?—On Basic Nature of Literature of the Modern School of the West"

Article by Jiang Tao: "The Product of Essentials Is Truer Than the Sum of Essentials—Comparison Between Two Methods of Assessment for Awards"

Article by Zhu Xuan: "Why Do We Say the Integration of Universality With Particularity of Contradictions Is the Quintessence of Contradictions?"

Article by Ye Yanbin: "Also Discussing the Profession of an Editor"

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Science & Technology

Song Jian Stresses Importance of 'Torch Plan'

OW0309120690 Beijing Television Service
in Mandarin 1000 GMT 2 Sep 90

[Announcer-read video report, with recorded portion, by station reporters Zhang Changjiang (1728 7022 3068) and Wang Baoguo (3076 0202 0948); from the "National News Hookup" program]

[Text] It has been more than two years since the State Science and Technology Commission implemented, with the approval of the State Council, the Torch Plan in the country. The plan is compared to the Chinese version of Eureka by some people and hailed by others as having no less importance and far-reaching influence than that produced by the [words indistinct] of the 1950's and 1960's. What is the Torch Plan? The following is our station reporters' recent interview with Comrade Song Jian, minister in charge of the State Science and Technology Commission, on this question.

[Begin Song Jian recording] [video shows a close-up shot of Song Jian speaking, followed by shots of laboratories where scientists and technicians are seen holding discussions or operating computers and other equipment] Under the guidance of the older generation proletarian revolutionaries and scientists, we have scored remarkable achievements in our scientific and technological undertaking during a short period of several decades, thereby making historic contributions to the rejuvenation of the Chinese nation. As we usher in the 1990's, we are facing new challenges and even more arduous tasks in science and technology. Over the past few years, countries in the world have competed with each other in developing their own high and new technological industries. An edge in high technology has become a deterrent force for some countries.

In the past four decades since the founding of New China, we have trained and nurtured tens of millions of scientific and technical personnel. They have proved themselves a contingent of talented people with fighting capability. Although China has scored world-acknowledged achievements in many high technological fields, generally speaking we have just taken an initial step and still lack experience in commercializing and industrializing the fruits of high technological research into productive forces. In view of this, we are facing an arduous and yet glorious task.

To promote the establishment and development of high technological industries, and with the approval of the party Central Committee and the State Council, China began to implement the Torch Plan in 1988. The purpose of the plan is to bring into full play China's scientific and technological advantages in creating a favorable environment for promoting high technological products at domestic and international markets, and for stimulating the technological transformation of traditional industries, thereby increasing the ratio of high technological products in total exports and raising labor productivity of the entire society by a wide margin.

The 21st century will be an era of high technology. The establishment and growth of high technological industries will dictate the future of China's economic, national defense, scientific, cultural, and social development. It is hoped that everyone will attach great importance to and support activities and measures aimed at establishing

and developing China's high technological industries, represented by the Torch Plan. Thank you all. [end recording]

Second Weather Satellite Successfully Launched

*OW0309124990 Beijing Domestic Service
in Mandarin 0930 GMT 3 Sep 90*

[By reporter Su Kuosan, from the "National Hookup" program]

[Text] China successfully launched the second Fengyun No. 1 experimental weather satellite at the Taiyuan Satellite Launching Center at 0953 summer time [0053 GMT] on 3 September. The satellite has entered the solar synchronous orbit.

After a Long March-4 carrier rocket accurately delivered the satellite to the predetermined orbit, the Xian Satellite Tracking and Controlling Center has been in control of the satellite. At the present, the satellite is functioning normally.

At 1340 [0414 GMT], the Urumqi Satellite Ground Station received the first very-high resolution and visible-radiation cloud picture. Both clouds and the earth surface appear clearly on the picture; rich layers of clouds are shown. The Xian Satellite Tracking and Controlling Center and the State Meteorological Administration's Satellite Meteorological Center are monitoring the satellite on the orbit according to the schedule.

The main tasks of the satellite are to obtain domestic and foreign meteorological cloud pictures, ocean exploration data, and atmospheric physical data; to raise China's capabilities of atmospheric exploration and weather forecasting to serve better the national economy and defense construction; and, at the same time, to transmit meteorological data to meteorological satellite ground stations all over the world.

Two balloon satellites set up by the Chinese Academy of Sciences for atmospheric observation also were launched at the same time, and they have entered the predetermined orbit.

State Councillor Song Jian watched a live relay of the launching at the Beijing Command Center.

Correction to Development of Space Technology

WA0309173890

The following correction pertains to the item entitled "Development of Space Technology Discussed" published on page 37 of the 30 August 90 DAILY REPORT:

Page 38, column two, second complete paragraph, third sentence should read: ...next decade, the cost for launch services worldwide will be about \$10 billion, communication satellites will be \$12 billion, navigation and positioning satellites, over \$5 billion, and micro-gravity experiments several billion dollars.... (correcting and clarifying expenditure amounts).

Military

Role of Armed Police in Stability Praised

HK0509062990 Beijing JIEFANGJUN BAO in Chinese
13 Aug 90 p 1

[Report by Tong Xinyan (4547 1800 3944): "Armed Police Make Contributions To Safeguarding Social Stability"]

[Text] The vast numbers of officers and men of the armed police corps are taking the maintenance of social stability as their sacred duty. While ensuring the successful fulfillment of their duties on thousands of fixed points throughout the country, they have also strengthened security patrols in various large- and medium-sized cities. They have thus rendered great contributions to safeguarding social stability.

To satisfy the needs of the security situation in our society, the armed police troops have made continuous efforts to improve the forms of being on duty. At present, in more than 100 large and medium-sized cities, the armed police troops have established patrol teams, which, despite rain and storms, are on duty day and night in busy downtowns, main streets, and junctures of cities and suburbs and the out-of-the-way lanes. They have been closely coordinating with the public security cadres and police in striking heavy blows at criminal activities, punishing murderers, struggling against hooligans, seizing pickpockets, arresting gamblers, fighting those engaging in railway ticket speculation, and eliminating pornography. According to incomplete statistics of Guangdong, Fujian, Zhejiang, Yunnan, and Ningxia, in the struggle against the "six vices," they have destroyed more than 420 criminal groups, which were engaged in drug smuggling and trafficking, prostitution, abducting women and children for sale, gambling, and selling pornographic materials. In this way, they have dealt a heavy blow to the evil forces which jeopardized social stability.

Since the beginning of this year, in order to successfully carry out security duties, the armed police party committees and leading organs at all levels have sent out hundreds of work groups to the grass roots to help them solve difficulties in this respect. The main leading comrades of the armed police corps of Xinjiang, Qinghai, Tibet, Guizhou, Inner Mongolia, and Guangxi have taken those remote areas with difficult conditions and environments as the ideal places for them to go down to the grass roots. By going deep into those areas, they have promptly discovered and solved more than 180 practical problems.

The vast numbers of officers and men of the armed police, who have been carrying out their duties according to the law and in a civilized way, have been highly praised by the masses. While carrying out their duties, the officers and men of the armed police are always very polite and are enthusiastic in helping the masses solve their difficulties. They have done tens of thousands of

good things for the people. Regarding the study and understanding of law as the prerequisite for enforcing and protecting the law, they have carried out an extensive activity of "on-the-post study of the law." More than 80 percent of the armed police soldiers on patrol duty have basically mastered the most often used laws and regulations, such as the "Regulations on City Security and Penalties," and have conscientiously used the weapon of law to struggle against criminal offenders. They have thus gained the initiative in carrying out their duties.

Navy Holds Torpedo-Launching Competition

OW0209144890 Beijing Television Service
in Mandarin 1000 GMT 2 Sep 90

[From the "National News Hookup" program]

[Text] After holding a contest for military skills in 1964, the Navy again held a contest for the skill of launching torpedoes. [video shows a big torpedo in a hall. Two sailors in contest are seen busily operating on the displayed torpedo. Three judges from the Navy, with notebooks in their hands, are seen watching the operation.] The contest was held at a certain submarine unit on 30 August. [Naval officers are seen seated in a meeting hall watching the contest] Twelve representative teams from the units directly under the naval fleet took part in the contest.

Torpedo is a major underwater weapon of the naval vessels. [video shows a closeup shot of a torpedo launching tube aboard a naval vessel; then a torpedo is seen being launched from a speeding vessel] The preparatory work before the launching of a torpedo is technical work of considerable difficulty. Mastering the skill for the maintenance, repair, and operation of the torpedo has an important significance in raising the defense capability of the naval vessels and in increasing the awareness for quick reaction.

The military skill contest is part of a major military training activity of the Navy's mechanical system in its earnest implementation of the regulations on the military training promulgated by the CPC Central Military Commission. It will have a positive and promotive effect on raising the quality of the naval units and on improving the level of professional quality. [video then returns to the two sailors-contestants who are working on a torpedo in the hall. Winners are seen being awarded with prizes at the meeting.]

Naval Commander Inspects Shanghai 24-27 Aug

OW0109133090 Shanghai JIEFANG RIBAO in Chinese
28 Aug 90 p 1

[Text] Naval Commander Vice Admiral Zhang Lianzhong, accompanied by Rear Admiral Liu Jipan of the Shanghai Naval Base, made an inspection from 24-27 August on soldiers in all units and farms under the base.

He also visited Qiuxin, Jiangnan, Fudong, and Zhonghua shipbuilding companies and inspected the dry docks, piers, and ship models. During the trip, he expressed his thanks to these companies for their building ships for the Navy.

Economic & Agricultural

Ministry Circular on Economic Malpractice Issued

OW0109021190 Beijing XINHUA Domestic Service
in Chinese 0356 GMT 31 Aug 90

[Text] Beijing, 31 Aug (XINHUA)—The Ministry of Supervision issued a circular the other day, calling on supervisory organs at all levels throughout the country to bring their functions and roles into full play and vigorously coordinate the administrative leaders of various economic sectors implementing the important plans of the State Council on stepping up the building of a clean and honest government and remedying unhealthy practices in various economic sectors. The circular urged supervisory organs at all levels to do concrete work in carrying out the following four tasks, in accordance with the State Council's plans for remedying unhealthy practices in various economic sectors, and under the unified leadership and arrangement of local party committees, governments, and departments concerned:

- Investigation and study of issues on correcting unhealthy practices in various economic sectors should be intensified. It is necessary to carefully analyze the major problems related to such practices in local areas and departments, and to offer opinions and suggestions to local governments and departments on ways to rectify such practices.
- It is essential to actively assist the departments in charge of relevant economic sectors in formulating rules and regulations on remedying unhealthy practices in those economic sectors. It is also necessary to work on intensifying ideological and political work and rank-and-file construction. Efforts should be made to coordinate with various departments and economic sectors in instituting and strengthening management and restraining mechanisms, in earnestly carrying out the basic tasks of various economic sectors, and in closely integrating efforts to reinforce external supervisory mechanisms with those aimed at fortifying internal checks and balances.
- It is necessary to supervise and keep tabs on efforts by local areas and departments to implement the State Council's plans for rectifying unhealthy practices in various economic sectors, as well as relevant regulations and measures worked out by local governments and departments. It is also essential to make public without delay any findings on such efforts, to pose questions, to sum up experiences, to draw lessons, and to publicize and commend advanced elements.

—The key to correcting unhealthy practices in various economic sectors lies in ideological education. Supervisory organs should establish files for investigation and action on serious breaches of the law and discipline uncovered in the course of rectifying unhealthy practices. If the breaches are not serious, they should be handled by relevant administrative departments.

The Ministry of Supervision's circular stated: Redoubling efforts to build clean government and to correct unhealthy practices in various economic sectors is a comprehensive endeavor that must be carried out jointly by all segments of society in an all-round way. As watchdog bodies of local governments and departments, supervisory organs are chiefly responsible for this endeavor. In the past two years, particularly since the Fourth Plenary Session of the 13th CPC Central Committee, supervisory organs at all levels throughout the country have done a tremendous amount of work in punishing corruption and promoting clean government. Supervisory organs of many localities and departments have achieved some success in taking practical actions to earnestly remedy unhealthy practices in various economic sectors. At present and for some time to come, supervisory organs at all levels should uphold the principle of exercising overall supervision with a view to promoting clean government. They should focus on investigating and dealing with major cases, stress efforts to rectify unhealthy practices in various economic sectors in building clean government, and conscientiously carry out those efforts.

Article on Enterprise Management Reforms

HK0309011090 Beijing LIAOWANG in Chinese
No 33, 13 Aug 90, pp 8-10

[Article by Gao Shangquan (7559 1424 0356): "Establish a Sound Enterprise Structure, Strive To Increase Economic Results—Thoughts Concerning Several Questions of Reform and Development"]

[Text] Strengthening enterprise management in the course of deepening enterprise reform, and deepening enterprise reform while strengthening enterprise management.

To adjust the economic structure and improve the economic results, we must first stabilize the economy and stabilize the enterprises. In order to ensure the economy's stable development, we must deepen enterprise reform and strengthen enterprise management, and must properly combine the work of deepening enterprise reform with the work of strengthening enterprise management. Either in deepening enterprise reform or in strengthening enterprise management, we must lay stress on improving the economic results of the enterprises so that economic development can gradually change from the pattern of seeking a high growth speed to the pattern of seeking good economic results and from the pattern of mainly relying on material input to the pattern of mainly relying on technological progress.

At present, the problem of poor product quality, high material consumption, and low economic results still exists to a serious degree in the enterprises, and this is a prominent problem in our country's economy and it fundamentally affects the development of the national economy. After 1984, many state-owned industrial enterprises recorded a lower rate of profit-tax contributions as compared with their sales and the amount of funds they used. On the other hand, a larger number of enterprises incurred business losses, and the amount of loss increased. This affected the increase in the national income and in the state's financial revenue. The poor economic results could be attributed to many reasons, but a major reason was the imperfection of the enterprise management system and the disorderly condition in enterprise management.

Because the existing enterprise management structure is still imperfect, as the economic condition was continuously overheated in the past several years, the enterprises were too heavily dependent on the excessive growth of the gross demand in society. They thus held large amounts of funds and stockpiled large quantities of products. Many enterprises tried to seek higher profits through raising prices and overstating production costs. Some enterprises replaced necessary management with "contracts." There, labor discipline was lax; technical requirements were not strictly followed; the workshop management was in a disorderly condition; funds were used with low efficiency; technological progress was slow; and the internal organization rules and management systems were not unified and standardized. Aside from the above-mentioned problems inside the enterprises, the errors in the business strategies and orientation also caused serious waste. In the transitional process of the enterprise management system, the enterprises must be able to achieve high economic results. This is an important prerequisite for the fulfillment of such transition. Enterprise reform and enterprise management must be coordinated and both should serve the purpose of promoting the continuous improvement of the economic results in enterprise operation. Without the reform of the enterprise management system, it will be hard for enterprise management to achieve its purpose. However, if enterprise management is neglected in the course of enterprise reform, then the reform will not achieve the expected results.

The ultimate objective of enterprise reform is to turn the enterprises into relatively independent commodity producers and dealers that can independently determine their production and business operation, bear sole responsibility for their profits and losses, and possess the necessary self-development and self-discipline mechanisms. And the establishment of such an enterprise management structure is aimed at enabling the enterprises to consciously, actively, and continuously strengthen their management, seek technological progress, and improve their economic results. Enterprise reform in the past 10 years has always been making efforts in this orientation, and a lot of advanced models have emerged. However, because

enterprise reform remained in the stage of exploration and economic relations between the state and the enterprises were not stabilized and standardized yet, some enterprises haggled with the state authorities, and their production, business operation, and the management of income and expenditure were not effectively and properly regulated. Enterprises which achieved better economic results as compared with others in the same trade often had to bear heavier burdens. As the external economic environment was changeable and the macro-economic management system was imperfect and there was a disorderly market condition, many enterprises did not have an interest in improving their management and making technological progress. Instead, they tried to increase profits and tax payments and seek superficial economic results mainly through increasing investment, raising the growth speed of production, and raising the product prices.

Our enterprises should particularly pay attention to the establishment of internal self-discipline mechanisms. They should first bear responsibility for every decision they make and undertake the consequent risks. That is to say, if their decision errors cause losses, the enterprises themselves should bear the losses. **The state should formulate comprehensive and integrated systems, policies, and regulations on property right relations with the enterprises, on the management of investment and financial expenditure in the enterprises, and on the distribution of income and tax payments of the enterprises, thus standardizing and rationalizing the economic behavior of the enterprises.** In short, it is necessary to establish a rather perfect enterprise management structure in order to promote the continuous enhancement of their economic results.

Enterprise management is the foundation for enterprise development. Management also constitutes a factor of the productive forces, which is an embodiment of human wisdom. Modern industrial production shows that the key factor that determines an enterprise's success or failure is its management. According to Canada's official statistics, 80 percent of the failures among small- and medium-sized enterprises were caused by improper management. In Japan, over 10,000 small- and medium-sized enterprises went bankrupt every year, and the main reason was their lack of management capacity. Therefore, some people said: An enterprise's success relies on its material and technical strength by 30 percent and relies on its management by 70 percent. Through improving and strengthening management and innovating the management system and management means, an enterprise can substantially enhance its economic results. Seeking higher economic results through improving and strengthening management has been proved to be an effective way in the process of modern economic development. **Management must follow certain fixed standards and norms in order to achieve the greatest possible results in the use of manpower, financial, and material resources and to use all kinds of production resources and factors most economically; meanwhile, management must ensure**

the coordination of every link and step in production and business operation, ensure the smooth circulation of materials, and form a harmonious, orderly, stable, and continuous economic process. The existing enterprise management level is generally rather low in our country, and management in some enterprises is rather backward. Many enterprises survived and developed on the basis of an overheated economic condition and the excessive swelling of gross demand in society. Their internal management was disorderly, and their economic results were poor. When we are trying to improve the macro-economic management system and deepen enterprise reform, we must pay serious attention to strengthening enterprise management. When guiding enterprise production and business operation, we must lay stress on tapping internal potential, lowering costs, raising product quality, promoting technological progress, and enhancing economic results. Now, a number of enterprises in our country have acquired positive experience in their explorations in this regard. For example, the No. 2 Automobile Factory has achieved remarkable results in tapping potential and improving management. This factory successively introduced, assimilated, and adopted more than 20 items of modern management skills and methods from abroad, including those for all-round quality management, target management, all-member and equipment management, the network planning skill, value project, and value analysis. In 1986, the No. 2 Automobile Factory adopted the "one-flow" method in on-the-spot management created by the Japanese Diesel Engine Industrial Co. Ltd., and this means that in the whole production process from the input of the semifinished products to the completion of the finished products, the parts are not stockpiled or stagnant in any production link and are always kept flowing according to a fixed rhythm. The management in all links will thus achieve the best assembly of the production factions in time and space. After the "one-flow" method was adopted in the production line of automobile knuckles, with other conditions being unchanged, the daily output increased by 29.8 percent; the manpower decreased by 28 percent; the rate of waste products decreased by 68 percent; products that needed to be reprocessed decreased by 79.9 percent; and equipment stoppages and breakdowns decreased by 84 percent. At present, 52 production lines in the No. 2 Automobile Factory have adopted the "one-flow" management method and have greatly enhanced the economic results. This has also

brought about major changes in the management conceptions among cadres and workers. There are a lot of other successful examples.

To strengthen enterprise management, we should mainly strengthen basic management and improve field management. Scientific management methods should be adopted, and norms and standards should be laid down in order to establish a perfect management system. The management methods and means should be gradually modernized. Quality management and target management should be exercised in all links. Financial management and accounting should be strengthened and costs, overheads, and the use of funds should be more effectively brought under control. Strict standards should be set up. The management targets for production, business operation, statistics, and technology should be brought into line with advanced international standards so that management can be based on standardization. The training of the managing personnel and workers should be strengthened in order to improve their quality and work style so that their initiative can be aroused to the maximum degree. Production and business operations must be conducted in light of the laws and regulations. The enterprise legal adviser system should be established and perfected. The legitimate rights and interests of the state, the enterprises, and the workers should be protected according to the laws from being infringed upon and impaired. This is also an important aspect in bringing enterprise operation into line with the legal system. If enterprise management can reach the target of being scientific, modern, standardized, and institutionalized, then the conditions of economic results in our enterprises will make a great leap, and their competitive power will be greatly raised, thus laying a solid foundation for the sustained, stable, and harmonious development of the national economy.

We are now still facing a rather grim economic situation. The economic improvement and rectification in 1989 brought initial stability to the economy, but the tasks this year and next year will still be rather arduous. We will still have to make new and great efforts to stabilize and develop the economy, to stabilize people's feelings, and to stabilize society. We should continue to firmly carry out the policies for economic improvement-rectification and in-depth reform, overcome the present economic difficulties, realize the sustained, stable, and harmonious development of the national economy, and create a good start for pushing the national economy to a new stage in the 1990's.

East Region

Li Zemin Urges Crackdown on Fake Goods

OW0409101490 Hangzhou ZHEJIANG RIBAO
in Chinese 22 Aug 90 p 1

[By ZHEJIANG RIBAO reporter Guo Zixing (6665 5261 1630)]

[Excerpts] To implement the relevant guidelines of the State Council, the provincial government called a special telephone conference on 20 August to crack down on manufacturing and marketing unlicensed, fake, and substandard goods, in line with the requirements formulated by a working meeting of the provincial party secretary and governor. The conference was attended by leaders of all cities (prefectures) and provincial departments and bureaus.

To investigate and crack down on manufacturing and marketing unlicensed, fake, and substandard goods is a serious economic struggle with a socialist orientation. In recent years, some production and marketing units and individuals in Zhejiang used illegal means to manufacture and sell unlicensed, fake, and substandard goods. Their fraudulent practice has seriously undermined the interests of the state and the people. Although the State Council's relevant departments repeatedly have issued injunctions, the laws and statutes have provided clear stipulations, and the local governments have exerted great efforts to ban such malpractices. They have continued and have become more rampant in some localities, seriously disrupting the economy. Over the past year, Zhejiang has scored some progress in the struggle. According to statistics compiled by the provincial and 25 prefectural (city) and county standardization departments, they have uncovered 2,700 enterprises manufacturing and marketing unlicensed, fake, and substandard goods with a value of 9.47 million yuan, and have imposed 1.37 million yuan fines on the enterprises. The administrative departments for industry and commerce have investigated and handled some 4,000 cases involving such goods and collected a total of 7.12 million yuan in penalties. Especially in the past two months since the State Council General Office issued the relevant document, the provincial party committee and the provincial government repeatedly studied and carefully worked out a plan for carrying out the struggle. Provincial party Secretary Li Zemin and Governor Shen Zulun showed a keen concern and personally attended to this matter.

On the morning of 18 August, Li Zemin viewed an exhibit of fake and substandard goods, which was sponsored by the provincial bureau of standardization and metrology. Then, he presided over a working meeting of the provincial party secretary and the governor to hear reports and a briefing by Zhao Leqing, head of the provincial government's inspection group, on the progress in cracking down on fake and substandard goods in Zhejiang, and put forward requirements to further deepen the struggle. Li Zemin sternly pointed out at the meeting: Manufacturing

and marketing fake and substandard goods is rather rampant in Yueqing and other localities. Markets are flooded with fake products, damaging the state and the people and corrupting the reputation of Wenzhou and Zhejiang. It is time now to make determined and resolute efforts to thoroughly investigate and crack down on fake goods. [passage omitted]

At the telephone conference, which was convened by the provincial government, the provincial bureau of standardization and metrology, and the provincial administration for industry and commerce reported on the progress in investigating and cracking down on manufacturing and marketing fake and substandard products. Yongjia and Yueqing Counties gave briefings on the progress in their respective counties. Vice Governor Chai Songyue explained the requirements for the struggle, which were formulated by the working meeting of the provincial party committee and the governor. [passage omitted]

Jiang Zemin Inquires About Damage in Zhejiang

OW0409091990 Beijing Television Service in Mandarin
1000 GMT 3 Sep 90

[Announcer-read report from the "National News Hookup" program]

[Text] In the wake of typhoon No 12, some parts of Zhejiang Province were struck again by typhoon No 15, causing serious damage to industrial and agricultural production, and inflicting a heavy toll on human life and property. The party Central Committee, the State Council, General Secretary Jiang Zemin, Premier Li Peng and Secretary General Luo Gan were deeply concerned about the matter, and inquired about the extent of the damage on many occasions. They called on the authorities to do a good job in rescue work.

On 3 September, the State Flood Control Headquarters sent a cable to the Zhejiang Provincial Flood and Drought Prevention Headquarters to convey its regards to the people and cadres in the disaster areas, and to the cadres of all levels, the people, People's Liberation Army officers and men, and public security personnel carrying out rescue work in the disaster areas. It expressed the hope that they will carry forward the spirit of hard work and self-reliance; organize the forces of all quarters to take care of the people, restore production, and rebuild their homes as soon as possible; repair factories damaged by floods; and strive to reduce damage caused by the disaster to the minimum to score a victory in flood prevention and rescue work.

Central-South Region

Guangdong Sports Meet Closes, Lin Ruo Attends

HK0409051290 Guangzhou Guangdong Provincial
Service in Mandarin 0400 GMT 1 Sep 90

[Excerpts] A grand closing ceremony for the eighth Guangdong provincial sports meet was held at the gymnasium of the newly-built sports center in Zhangjiang City. [passage omitted]

Provincial leading comrades Lin Ruo, Ye Xuanping, Wang Ning, Song Zhiying, Fang Bao, and Wang Pingshan attended the closing ceremony and conferred cups, medals, and pennants on individual and group winners. [passage omitted]

Further on Meet

HK0409051390 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 1 Sep 90

[Text] Yesterday afternoon provincial party committee Secretary Lin Ruo, Governor Ye Xuanping, and other leading comrades who had come to attend the closing ceremony of the eighth Guangdong provincial sports meet, cordially met Hong Kong noted personages Mr. Hou Ying-tung, Mr. Hou Chien-ting, and Mr. (Hsu Ching-kui) in Zhangjiang City.

Lin Ruo and Ye Xuanping spoke highly of their patriotic enthusiasm in supporting the development of sports in their native place.

Mr. Hou Ying-tung and his party had been invited to attend the closing ceremony of the sports meet and arrived in Zhangjiang on 31 August.

Guangxi Holds Anti-Pornography Meeting

HK0409130690 Nanning Guangxi Regional Service in Mandarin 1030 GMT 1 Sep 90

[Excerpts] It is over a year now since the anti-pornography struggle aimed at cleaning up cultural garbage, banning spiritual narcotics, and purifying social cultural market began in July, last year.

From 28 August to 31 August, more than 40 responsible comrades in charge of work of screening and rectifying the market of books, newspapers, periodicals, and audio-visual materials from various prefectures and cities across the region gathered in Nanning, summed up the great achievements of the anti-pornography struggle, and conscientiously held seminars on various questions concerning the anti-pornography struggle.

Li Zhenqian, member of the Standing Committee of the regional party committee and vice chairman of the regional people's government, (Hou Depeng), member of the Standing Committee of the regional party committee and vice chairman of the regional Chinese People's Political Consultative Conference committee, and some other relevant leaders attended the meeting and made specific arrangements for the future anti-pornography struggle.

The meeting was presided over by (Liu Junhuang), deputy director of the propaganda department of the regional party committee.

The meeting held that over the past more than one year, the regional anti-pornography struggle has achieved

marked results. A number of pornographic books, newspapers, periodicals, and audio-visual materials have been banned and confiscated. [passage omitted]

On how to deepen and further the anti-pornography struggle, Vice Chairman Li Zhenqian put forward the following views:

1. To continue to heighten understanding of the sophisticated, protracted, and complex nature of the anti-pornography struggle. This is a serious ideological struggle of profound political significance. We must regard this struggle as an important component part of spiritual civilization building.
2. To persistently place the anti-pornography struggle within the orbit of law, firmly grasp major and serious cases, continue to smash underground pornography manufacturing and marketing stations, and perfect all types of management regulations and laws as quickly as possible so as to formulate a complete set of anti-pornography measures and methods and consolidate anti-pornography achievements.
3. To strengthen policy enforcement, resolutely ban pornography, draw clear lines of demarcation in applying a policy, adopt a clear-cut attitude, and strive to develop a prospering cultural market while banning pornography.
4. To develop national culture and enable healthy cultural activities as well as literary and artistic works to occupy the cultural market.

Henan Holds Conference on Government Building

HK0409132490 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 1 Sep 90

[Excerpts] From 31 August to 1 September, the provincial party committee and the provincial government held a provincial conference on clean government building work in Zhengzhou to relay and implement the spirit of a speech made by Premier Li Peng at a telephone meeting held by the State Council on 23 August, sum up and exchange our provincial situation and experiences regarding the building of clean government, especially a clean government system, step up clean government building, and straighten out malpractices in various trades and professions.

Li Changchun, deputy secretary of the provincial party committee and acting provincial governor, (Wu Jituan) and Zhao Di, deputy secretaries of the provincial party committee, Hu Xiaoyun, deputy secretary of the provincial party committee and vice provincial governor, Lin Xiao, vice chairman of the provincial People's Congress Standing Committee, and others attended the conference.

Zhao Di and Hu Xiaoyun delivered speeches at the conference respectively.

In her speech, Comrade Zhao Di mainly talked about the basic situation concerning our province's clean government building work over the past year and put forward some tentative views on our province's clean government building work in the future. [passage omitted]

With regard to our province's clean government building work in the future, Zhao Di said that as far as the present situation is concerned, malpractices in various trades and professions are the very negative and corrupt phenomenon that has caused strong resentment and given rise to repeated talks among the masses of people. In order to step up clean government building, thoroughly straighten out malpractices in various trades and professions, and overcome other types of corrupt phenomena, it is necessary to heighten understanding, enhance consciousness in carrying out clean government building, practically strengthen leadership over clean government building, this being the key to successful clean government building. It is also necessary to continue to strengthen the building of all types of clean government systems, this being the guarantee for successful clean government building. Greater efforts must also be made to carry out all types of work aimed at building a clean government in a down-to-earth manner, strengthen supervision and examination, and strengthen investigations into and handling of law-violation and discipline-violation cases.

In his speech, Comrade Hu Xiaoyun put forward several views on how government departments should implement to the letter the spirit of the telephone meeting held by the State Council and straighten out malpractices in various trades and professions.

Hu Xiaoyun said that as far as the realistic situation of our province is concerned, our province is facing an arduous task in respect of straightening out malpractices in various trades and professions. This question merits great attention from all of us. All departments and units concerned should first of all correctly view their own professional malpractices, adopt a correct attitude toward all the exposed problems, enthusiastically and forcefully carry out work in this regard, welcome criticism from the masses and dare to make self-exposure and self-criticisms [words indistinct], strengthen ideological education with a view to improving both ideological and political qualities of the broad masses of cadres and staff members, step up clean government system building, perfect supervision and restriction mechanisms, and foster models and make experiments in order to promote work in the entire area. [passage omitted]

Hu Xiaoyun said that the provincial government called on all levels and all units to combine work of straightening out malpractices in various trades and professions with work of building a clean government and improving government work efficiently as well as with activities of learning from Jiao Yulu. [passage omitted]

Hu Xiaoyun finally stressed that strengthening clean government building and straightening out malpractices

in various trades and professions must be integrated closely with economic construction. The implementation of all measures must aim at serving economic construction which is the center. The final results of all types of work should also be embodied in economic development.

Hubei Veteran Party Cadre Passes Away

HK0309094690 Wuhan Hubei Provincial Service
in Mandarin 1130 GMT 31 Aug 90

[Excerpts] A memorial meeting to Comrade Wang Haishan, former member of the CPC Hubei Provincial party committee Standing Committee, vice governor of the provincial people's government, and vice chairman of the fifth provincial People's Congress Standing Committee, was held in Wuchang Funeral Parlour this morning without all unnecessary formalities as he had requested before his death.

Comrade Wang Haishan died of disease at 1700 on 28 August at the age of 80.

Among the central leading comrades and veteran comrades and responsible persons of other provinces who had presented wreathes and sent condolence cables and messages to his family members were there Li Xiannian, Wang Zhen, Song Renqiong, Chen Pixian, Wang Renzhong, Zhu Xuefan, Liao Hansheng, Yang Dezi, Chen Zandao, Zeng Siyu, Song Shilun, Liu Zhijian, Yong Wentao, Wang Kuang, Zhang Pinghua, Wang Quanguo, Wang Qun, Song Kanfu, Gu Dachun, (Ren Zhongchun), Ren Zhibin, Liu Zihou, (Bai Xianguo), Guo Zhenqian, Li Fei, Li Yanshou, (He Yiran), Zhang Siqing, Zou Shiyan, Liu Zhihan, (Deng Chenlun), He Jiesheng, as well as Lin Jiamei, (Xiao Huinan), (Xie Zhicheng). The State Council General Office, the CPC Central Committee Organization Department, the Hubei provincial party committee, the Hubei Provincial Advisory Commission, the Hubei Provincial People's Congress, the Hubei Provincial People's Government, the Hubei Provincial Committee of the Chinese People's Political Consultative Conference and the Hubei Provincial Military District presented wreathes to Comrade Wang Haishan. [passage omitted]

The memorial meeting was presided over by the deputy secretary of the provincial party committee, Zhao Fulin and the provincial People's Congress Standing Committee chairman delivered a memorial speech. [passage omitted]

Present at today's memorial meeting were Guan Guangfu, Guo Shouyan, Zhao Fulin, Qian Yunlu, Chen Ming, Huang Zhizhen, Shen Yinluo, Ding Fengying, Zhang Xueqi, Tian Qiyu, Zheng Yunfei, Li Daqiang, (Ma Liang), (Wang Kui), (Yu Hongtao), (Feng Xichen), (Li Leng), Xin Fu, (Yi Peng), Shi Chuan, Tian Ying, Tao Shuzeng, Wang Hanzhang, Wang Ruisheng, Li Hanzhong, Huang Zhengxia, Liang Shufen, Wang Libin, Han Nanpeng, Han Hongshu, (Li Yuwei), Mu Changsheng, Hu Hengshan, Han Wenqing, Xie Zhi, Zeng Zhonglang,

(Wang Sheng), (Ji Juxin), (Zhou Shuqing), (Wang Zhongwen), Wang Jie, and (Li Zhi). [passage omitted]

Hubei Public Security Conference Ends

HK0409123890 Wuhan Hubei Provincial Service
in Mandarin 1130 GMT 1 Sep 90

[Excerpts] The five-day provincial conference of directors of public security departments and bureaus of all prefectures, cities and autonomous prefectures closed in Wuhan on 31 August.

The meeting analyzed and discussed the present public security situation and assigned tasks for the remaining four months of the year.

Governor Guo Shuyan, also provincial party committee deputy secretary, addressed the meeting. Tian Qiyu, a member of the provincial party committee Standing Committee, secretary of the Politics and Law Commission under the provincial party committee and director of the provincial Public Security Department, too delivered a speech at the meeting.

During the meeting, Guan Guangfu, Guo Shuyan, Zhao Fulin, Qian Yunlu, Chen Ming, Shen Yinluo and other leaders of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress, the provincial people's government, the provincial committee of the Chinese People's Political Consultative Conference and the provincial military district received all the participants. [passage omitted]

In his speech, Comrade Tian Qiyu fully affirmed what the province had achieved in the struggle of meting out severe punishments to criminals. He pointed out that since this May, a large number of criminals have been arrested and a large quantity of cases crashed across the province. This has greatly humbled the haughty arrogance of criminals. In the three months of May, June, and July, crime rates slid month by month. Social order—a prominent problem before us—has begun improving and the sense of security has increased among the people. The move has been warmly welcomed and supported by all social quarters and the broad masses of the people. However, we should see with sobermindedness that the serious public security situation has yet to be eased fundamentally and the tasks ahead of us remain very arduous. We should continue to firmly implement the principle of maintaining stability as the overriding task. We should persist in laying equal stress on attack and prevention and approach the problem by looking into both its root cause and symptoms while continuing to pay adequate attention to the struggle of meting out severe punishments to criminals. Meanwhile, we should make vigorous efforts to improve social order in a comprehensive way, make serious efforts to ensure public security during the Asian Games and National Day, adopt effective measures to reinforce the contingent of public security force and continuously raise the

combat effectiveness of the contingent to guarantee stability of the overall situation in the province. [passage omitted]

Hunan's Xiong Qingquan Inspects Primary School

HK0509050790 Changsha Hunan Provincial Service
in Mandarin 2200 GMT 2 Sep 90

[Text] On the afternoon of 2 September, provincial party Secretary Xiong Qingquan and Vice Minister of the State Education Commission Zou Shiyan braved scorching sun to inspect (Zhujiangqiao) Village Primary School in (Bailutang) Township of Chenxian County, an agricultural vocational secondary school in the county, and other schools.

While inspecting the primary school, Comrade Xiong Qingquan saw a plate of Village Peasants' Evening School hanging on the gate of the school. He asked the principal of the school in detail about how the evening school was run. He praised the method of running different types of schools in a school building.

In (Zhongxing) Evening Primary School of (Bailutang) Township, Comrade Xiong Qingquan visited a bedroom for preschool children. He praised it and said: Good, it is like a kindergarten. After that, together with Comrade Zou Shiyan, he inspected a dormitory for the teachers of the school with great interest.

While inspecting the agricultural vocational secondary school of Chenxian County, Comrades Xiong Qingquan and Zou Shiyan asked in detail about how the school trained students. They visited a poultry farm of the school, and talked with students.

Southwest Region

Asian Games Torch Reaches Guiyang in Guizhou

HK0309104490 Guiyang Guizhou Provincial Service
in Mandarin 2200 GMT 31 Aug 90

[Excerpts] The Asian Games torch, a symbol of unity, friendship, and progress of the Asian people, arrived in Guiyang from Kunming on the early morning of 31 August. [passage omitted]

At 1030, Liu Zhengwei, the provincial party committee secretary; Governor Wang Chaowen, Li Wanlu, the Guiyang City party committee secretary; Mayor Wang Shouting; and leading comrades of the Guizhou Provincial Guidance Committee for the relay race of the Asian Games torch called on all members of the group for escorting the torch and held a discussion meeting with them.

On behalf of the provincial party committee and government and 31 million people of all nationalities in the province as well, Comrade Liu Zhengwei expressed warm welcome to the arrival of the ASIAN Games torch in Guiyang. He said he would wear the sportswear presented to the people of Guizhou by the Asian Games

Organizing Committee to join the Asian Games torch relay race to give wider publicity to the Asian Games, strengthen the spirit of the Asian Games and work hard, in the capacity of a host, to promote the sports development in our province and further mutual understanding, unity, and friendship between the people of our province and the people in the rest of Asia.

Sichuan Armed Forces Commission Reorganized

*HK0309024690 Chengdu Sichuan Provincial Service
in Mandarin 0915 GMT 31 Aug 90*

[Excerpts] The Standing Committee of the People's Armed Forces Commission of the Sichuan CPC provincial party committee held its 11th session in Chengdu on the morning of 31 August.

The main agenda of the meeting was to readjust members of the people's armed forces commission and study and discuss how to carry out the guidelines of the national forum on maintaining social order by means of the militia.

The reorganized People's Armed Forces Commission of the Sichuan provincial party committee includes its Chairman Yang Rudai, its vice chairmen Ren Yinglai, (Zhang Xiaozhong), Xie Shijie, and Bai Shangwu, and its members Ding Zhaoqian, (Qiao Deming), (Zhou Hanqi), (Xiong Qingqian), and (Zhang Genbang). [passage omitted]

The meeting pointed out that using the militia to maintain social order in coordination with public security departments should be under the leadership of local party committees, governments and the higher military organs and under the command of the provincial military district, military subdistricts and the People's Armed Forces departments at the county, city, and prefectural levels.

Before the meeting closed, Comrade Yang Rudai delivered a speech. He called on members of the People's Armed Forces Commission to seriously study and solve new conditions and new problems in the work of the militia reserve service from the high plane of the struggle against subversion, infiltration, and peaceful evolution, reinforce the national reserve forces, and give full play to their proper role.

Sichuan Issues Circular on Supervision Work

*HK0409114890 Chengdu Sichuan Provincial Service
in Mandarin 0915 GMT 3 Sep 90*

[Text] Recently, the provincial supervision department has issued a circular calling on supervision organs across the province to do well the following four things in accordance with Premier Li Peng's instruction of strengthening administrative supervision and examination of supervision, auditing, and other departments under the leadership of the local party committees and governments:

1. To carry out investigations and research by centering on the question of straightening out malpractices in various trades and professions, strengthen supervision and examination, conscientiously analyze the situation concerning malpractices and major problems in various trades and professions, and put forward views and proposals aimed at straightening out malpractices in various trades and professions to the government and government departments;

2. To carry out investigations into and handle cases with clear-cut emphasis. The key to straightening out malpractices in various trades and professions lies in: 1) Leading cadres should play an exemplary role; 2) to straighten out professional malpractices in law-enforcement departments, supervision departments, economic management departments, and public utilities units which maintain constant contact with the masses of the people; 3) to strengthen investigations into and handling of relatively influential and major problems and law-violation and discipline-violation cases in local areas and departments.

3. To cooperate with various departments in strengthening ideological and political work and education on professional ethics, responsibility, and discipline while strengthening supervision;

4. To strengthen system building and consolidate the supervision mechanism.

Leaders at Lhasa Meeting on Nationality Unity

*GW0209062790 Beijing XINHUA Domestic Service
in Chinese 1200 GMT 1 Sep 90*

[By reporters Duo Qiong and Lang Jie (2597 2638)]

[Text] Lhasa, 1 Sep (XINHUA)—A Tibet autonomous regional meeting to commend advanced collectives and individuals for promoting nationality unity was ceremoniously held in Lhasa on 1 September.

The meeting was the first of its kind in Tibet since Tibet's peaceful liberation. Attending the meeting were 104 advanced collectives and 298 advanced individuals from across Tibet. Also attending the meeting were Ismail Amat, vice chairman of the National Committee of the Chinese People's Political Consultative Conference and minister in charge of the State Nationalities Affairs Commission; responsible persons of departments concerned from the central authorities and other fraternal autonomous regions; and responsible comrades of the party, government, and military of the Tibet Autonomous Region.

September 1 was a jubilant day marking the 25th founding anniversary of the Tibet Autonomous Region. At about 1000, representatives of the advanced collectives and individuals, wearing red flowers on their chests, walked into the Lhasa People's Hall amid the cheers of over 1,000 Young Pioneers, who held flowers

representing the honor accorded them by more than 2 million people of all nationalities in Tibet.

The meeting was presided over the Gyaincain Norbu, chairman of the Tibet Autonomous Regional People's Government. Hu Jintao, secretary of the Tibet Autonomous Regional CPC Committee, made a report at the meeting. Hu Jintao said: The holding of the first meeting in Tibet to commend advanced collectives and individuals for promoting nationality unity is a great and jubilant event in the political life of people of all nationalities in Tibet. It symbolizes that the situation in Tibet has become more stable and that nationality unity in Tibet is developing in a healthy manner.

Hu Jintao said: Since Tibet was peacefully liberated, the party Central Committee and the State Council have shown great concern for people in Tibet and, aiming at actual conditions in Tibet, have adopted a series of special policies and measures toward Tibet, forming a new kind of nationality relations in which Tibetan people and the people of other fraternal nationalities breathe together, share a common fate, and join their hearts into one in promoting social progress and in the great cause of socialist construction. Close unity among and the common efforts of cadres and masses of all nationalities have effected great achievements in Tibet's democratic revolution and construction, causing earthshaking changes in Tibet.

Hu Jintao said: In the past 40 years, Tibet has made gradual progress in promoting democratization and establishing a legal system. Its People's Congress system has been refined year by year; serfs of the past have been liberated, have stood up, and have become the masters of the country, displaying enthusiasm in building socialism. Tibet's agricultural and animal husbandry production has continued to develop, conditions for production have improved markedly, and its output value and the amount of production have increased sharply. Its industry has developed from nothing, with the establishment of an initial industrial foundation. Highway transportation in Tibet has developed rapidly, forming a network with Lhasa as its center and with the Qinghai-Tibet Highway, the Sichuan-Tibet Highway, and the Xinjiang-Tibet Highway as its trunk roads. In addition, domestic air routes linking Lhasa to Chengdu and Beijing and international air routes between Lhasa and Katmandu have been established, forming a comprehensive transportation system of highways, air routes, and conduits. Its posts and telecommunications service has been modernized; its foreign economic relations and trade and its tourist industry have developed rapidly; an educational system covering elementary to higher education has been established; and great achievements have been made in scientific, technological, cultural, and public health fields. All these achievements demonstrate the nationality unity spirit and radiate with the light of nationality unity.

Hu Jintao continued: Facts have shown that the 40 years since Tibet was peacefully liberated have been 40 years

in which people of all nationalities in Tibet, under the leadership of the CPC, have insisted on equality among all nationalities and on nationality unity and have made common efforts to progress and develop; and have been 40 years in which earthshaking changes have taken place in Tibet's society, politics, and economy. These 40 years have been a period in which people of all nationalities in Tibet, in the course of revolution and construction, have become more closely united, fought together, enhanced their friendship, breathed together, and shared a common fate. The history of the past 40 years has convincingly proved that the nation's unification, unity among the people, and unity among all nationalities are the basic assurance for successfully developing Tibet in the past, present, and future.

On behalf of the United Front Work Department of the CPC Central Committee, the Nationalities Affairs Committee of the National People's Congress, and the State Nationalities Affairs Commission, Ismail Amat extended his warm congratulations to the meeting. He said that the lifting of martial law in Lhasa and the holding of the meeting showed that Tibet had achieved decisive victories in its struggle against splittism and subversion. He hoped that people of all nationalities in Tibet, with the concern of the party Central Committee and the State Council, would make greater contributions to building a united, affluent, and civilized Tibet, to rejuvenating the Chinese nation, and to making the motherland strong and prosperous, by enlisting the support of the people of all nationalities in the country and by relying on their own initiative and creativity.

Further on Nationalities Meeting

OW0109185090 Beijing XINHUA in English
1421 GMT 1 Sep 90

[Text] Lhasa, September 1 (XINHUA)—One hundred and four units and 298 individuals in Tibet were commended at a meeting today for their contributions to promoting unity among all nationalities in the region.

The meeting, the first of its kind in Tibet, is part of the activities to mark the 25th anniversary of the founding of the Tibet Autonomous Region.

In a speech delivered at the meeting, Hu Jintao, secretary of the Tibet Regional Committee of the Communist Party of China (CPC), said people of all nationalities in Tibet have united as one and made remarkable achievements over the past four decades.

The region has registered sustained growth of its agriculture and animal husbandry, a relatively complete industrial system is taking shape, and a highway network with the Qinghai-Tibet, Sichuan-Tibet and Xinjiang-Tibet highways as the trunk lines has been built, Hu said.

The secretary attributed all the achievements to the unity among all nationalities and preferential policies and measures implemented by the party Central Committee and the State Council in Tibet.

Ismail Amat Visits Tibet, Speaks on Unity*OW0109082090 Lhasa Tibet Television Network
in Mandarin 1200 GMT 31 Aug 90*

[From the "Tibet News" program]

[Text] [Video opens with shots of Ismail Amat arriving at a white building and shaking hands with those who greet him in and outside the building] Accompanied by Danzim, deputy secretary of the autonomous regional party committee, Ismail Amat, vice chairman of the Chinese People's Political Consultative Conference [CPPCC] National Committee and minister in charge of the State Nationalities Affairs Commission, called on leaders of the CPPCC committees in the autonomous region, Lhasa City, and areas outside Lhasa City on the morning of 31 August, and extended greetings to them. Ismail Amat listened to reports by those committees on their history and work progress, and asked detailed questions on pertinent issues. [Video cuts to show Ismail Amat listening as unidentified people speak to him]

Yibulayin Rouzi, vice chairman of the Xinjiang Uygur Autonomous Regional CPPCC Committee, was present. Also on hand were Pagbalha Geleg Namgyai, vice chairman of the CPPCC National Committee and the [Tibetan] Autonomous Regional CPPCC Committee; Zheng Ying, Lhamin Soinam Lhunzhub, Jimzhong Gyaincain Puncog, Huokang Suolang Bianba, Tangmai Gongjue Baimu, Qaba Gaisang Wangdui, and (Wang Hailing), vice chairmen of the [Tibetan] Autonomous Regional CPPCC Committee; and other leaders of the CPPCC committees in and outside Lhasa City.

[Video shows medium to medium closeup shots of those attending the meeting and alternately shows closeup to medium shots of Ismail Amat speaking without a script and of other people in the meeting room] After listening to the reports, Ismail Amat said: I truly am glad to have the opportunity to meet new and old friends of the CPPCC committees in the autonomous region. On behalf of the CPPCC National Committee and the State Nationalities Affairs Commission, I extend warm greetings to each of you.

He said: Over the past several decades, CPPCC committees at all levels in the Tibet Autonomous Region have held high the banner of patriotism and firmly preserved the unity of the motherland and the solidarity of all nationalities. In particular, I greatly esteem the strong patriotism they displayed in their steadfast combat against splittists and their work on relevant fronts during the turmoil throughout the nation and disturbances in Lhasa. Thanks to efforts by CPPCC committees at all levels in the autonomous region, Tibet's social situation currently is stable, and all undertakings are progressing steadily.

I hope that you will continue to hold high the banner of patriotism and socialism, seriously study General Secretary Jiang Zemin's speech, and implement the guidelines

of the Fourth Tibet Autonomous Regional CPC Congress. I also hope that you enthusiastically will carry out CPPCC functions of political consultation and democratic supervision under the direct leadership of the autonomous regional party committee, and make new contributions to achieving stability and development in Tibet, preserving the unity of the motherland, and maintaining the solidarity of all nationalities.

Meeting on Combating Pornography Ends in Lhasa*OW0109122590 Lhasa Tibet Television Network
in Mandarin 1200 GMT 31 Aug 90*

[From the "Tibet News" program]

[Text] The regional meeting on antipornography work, which lasted three days, ended in Lhasa on 31 August. Thanks to the hard work of antipornography units at all levels, the region has made some achievements in cracking down on pornography since August last year. So far, more than 30,000 books, magazines, and tapes banned by relevant state departments have been confiscated and 12 cases have been dealt with.

In launching the antipornography campaign, leading cadres and departments at all levels in our region have paid particular attention to the limitations of policy. No serious deviation from the policy has been found in our work because we have insisted upon conducting an antipornography propaganda and education campaign before taking any other actions.

In the final analysis, the antipornography campaign is a battle against spiritual pollution and is an effort to occupy the minds of the people with cultural and ideological progress that is healthy and noble.

During the campaign, priority tasks were identified. Efforts were made to make a breakthrough in the key problem in light of reality. The experience of advanced units was used to promote the work of all others. Attention was paid to the tactics of simultaneously stopping the pornographic flood and nipping it in the bud.

Danzim, deputy secretary of the autonomous region, attended and spoke at the meeting. Comrade Danzim talked about his opinions on the future work of cracking down on pornography, which can be summed up as follows: First, party committees and governments at all levels should deepen their understanding, strengthen their leadership, and attach great importance to antipornography work. Second, attention must be paid to the spirit of cooperation in the fight against pornography. Third, we must implement conscientiously the principle of simultaneously paying attention to prosperity and the antipornography campaign. Fourth, we must strengthen antipornography organs and do a good job in fighting against pornography.

At the meeting, representatives from various prefectures and cities exchanged their experiences in the antipornography campaign and the results they have achieved, and discussed the planning and management of future cultural markets.

Minister of Light Industry Visits Tibet 1 Sep

*OW0209143390 Lhasa Tibet Television Network
in Mandarin 1200 GMT 1 Sep 90*

[From the "Tibet News" program]

[Text] A seven-member Tibet-inspection group led by Minister of Light Industry Zeng Xianlin arrived in Lhasa on the morning of 1 September. [Video shows airplane landing at Lhasa airport. Zeng Xianlin and his party are seen deplaning and being greeted by Tibetan leaders. Zeng Xianlin and his party are then seen walking toward a row of vehicles parked on the tarmac]

Gyamco, vice chairman of the Tibet Autonomous Regional People's Government; (Doje), chief of the industrial power bureau of the autonomous region; and others welcomed them at the airport. They expressed their warm welcome to Minister Zeng and his party for coming to Tibet for an inspection.

The major purpose of the inspection group from the Ministry of Light Industry to Tibet is to inspect and guide our region's development in light industry and national handicraft industry, as well as the production of goods for tourists.

Also visiting Tibet with Minister Zeng Xianlin are major responsible comrades from the professional trade management department and the production coordination department under the Ministry of the Light Industry; responsible comrades from Arts and Crafts Corporation affiliated with the Ministry of the Light Industry; and responsible comrades from Sichuan's Light Industry Bureau.

On the afternoon of 1 September, Gyaincain Norbu, chairman of the Tibet Autonomous Regional People's Government; Mao Rubai, Ma Lisheng, Tudao Doje, and Gong Daxi, vice chairmen of the Tibet Autonomous

Regional People's Government, specifically visited Minister Zeng and his party at the guest house.

Yunnan Urges Rural Market Development

*HK0409115890 Kunming Yunnan Provincial Service
in Mandarin 1000 GMT 1 Sep 90*

[Excerpts] The provincial meeting to make the rural market boom, sponsored by the provincial people's government, closed in Kunming on 31 August.

The meeting discussed the work of purchasing farm and sideline products during peak season and organizing industrial products for the countryside.

Provincial party committee Secretary Pu Chaozhu delivered a speech at the meeting. In leading the socialist commodity economy, we should strengthen the market concept and the sense of law of value and attach importance to circulation channels for production. At present there are many reasons behind the heavy market, but the main reason is the blocked channels for commodity circulation and some problems arising in commodity circulation and exchange. As the peasants put it, what they want to sell is not salable and what they want to buy is not available. Problems in exchange is bound to affect production and consumption. We should first make the market boom before we invigorate the economy. Comrade Pu Chaozhu also said the economic situation in the rural areas of our province this year is very good and a good harvest is in sight. What cadres and the masses now worry about is whether farm and sideline products can be purchased in time and they do not hope to see the reappearance of the problem of finding it difficult to sell this or that and the phenomenon of purchasing farm and sideline products with I.O.U receipts. A successful solution to the problem is of great importance to consolidating and developing the excellent situation in the countryside. At present to improve the system of purchase and marketing is one of the major aspects in deepening the rural reform. Agricultural development depends on policies. At present efforts should be made to implement policies on buying and selling in circulation channels to the letter. The proper implementation of the policies will arouse the enthusiasm of the peasants. [passage omitted]

Syrian Said To Be Threat to American Institute*OW0509033490 Taipei CNA in English 0238 GMT
5 Sep 90*

[Text] Taipei, Sept. 5 (CNA)—A Syrian planned to come to Taiwan within the next few days to attack the facilities of the American Institute in Taiwan [AIT] here, sources said, citing a report from Jordan.

The report identified the Syrian as a businessman without a criminal record, and said that he has visited Taiwan several times and obtained a three-month entry visa from the Republic of China's [ROC] Representative Office in Jordan on June 13.

The Ministry of Foreign Affairs, the sources said, has asked the ROC Representative Office in Jordan to double check the report.

At the same time, the ministry notified the AIT Taipei Office of the report.

The ministry has requested the Customs and the National Police Administration to watch closely the Syrian's movement before Sept. 13, the date his entry visa expires, the sources said.

The Syrian will be barred from entering Taiwan if his plan is confirmed, a ministry official said.

Journalists Welcome To Investigate Boat Mishap*OW0309210990 Taipei CNA in English 1558 GMT
3 Sep 90*

[Text] Taipei, Sept. 3 (CNA)—The Republic of China [ROC] Government would welcome Mainland Chinese journalists to visit Taiwan to collect information about the late July boat accident in the Taiwan Straits, a government spokesman said Monday.

Shaw Yu-ming, director general of the Government Information Office, also urged the foreign press to visit Taiwan to learn the facts about the maritime accident which [words indistinct] between the two sides of the strait.

The accident occurred on July 22 when 25 of 76 mainland stowaways being repatriated from Taiwan were found suffocated in the holds of the Min Ping Yu Mo. 5540, a fishing boat being used to carry the stowaways back to Fukien Province opposite Taiwan.

Chinese communist organs, launching a series of attacks on Taipei in the beginning of August, claimed that the ROC's "inhumane" repatriation process was to blame for the deaths. The Republic of China Government, rejecting the communist accusations, said the accident was caused by conflicts between rival groups fighting for [words indistinct] of the fishing boat. [Words indistinct] also criticized Peking for attempting to take advantage of the tragedy to alienate the peoples on both sides of the straits.

The government has suggested the International Committee of the Red Cross [words indistinct] the Republic of

China to consult with [words indistinct] over the proposal, Shaw said, mainland Red Cross did not explicitly respond.

Taipei also proposed last Friday that an investigation could be conducted by a joint team from the ROC, mainland and Hong Kong Red Cross societies. Shaw said this idea too was turned down by Peking.

The Chinese Communists should have the "moral courage" to face the [word indistinct], instead of "irresponsibly continuing to [words indistinct] and biased reports about the accident, the government spokesman urged.

Broadcast Directed to Mainland Soldiers*OW0309050290 Taipei CNA in English 0242 GMT
3 Sep 90*

[Text] Taipei, Sept. 3 (CNA)—Defense Minister Chen Li-an and Gen. Chen Shen-ling, chief of the General Staff, Saturday called on Mainland Chinese servicemen to strive for a better future for all Chinese.

The two military chiefs of the Republic of China made the calls in their broadcasts to communist Chinese servicemen on the eve of Sept. 3 Armed Forces Day, which marks the 45th anniversary of China's victory over Japan.

Both of them stressed that the huge gap between Taiwan and the mainland after 40 years of development has fully proved the superiority of the "three principles of the people" over "communist system." They also pointed out that the exotic Marxism-Leninism is the main source of mainland's misfortune over the past four decades.

Minister Chen lamented that the "June 4 Tienanmen massacre" was a shame for all Chinese. Only a communist regime that strictly upholds "materialism" would brutally use military force against its own people, he added.

Chen told mainland servicemen that the Soviet Union and other East European countries have gradually repudiated their communist system because they have finally understood that communism can never bring them freedom, prosperity and progress.

The Chinese Communists, however, have stubbornly clung to the so-called "four cardinal principles" and continued to use false information and outdated doctrines to cheat or mislead mainland servicemen and the ordinary people. Chen noted that many mainlanders have risked their lives to smuggle themselves into Taiwan in recent years in order to earn more money.

Gen. Chen Shen-ling told mainland servicemen that since they are called "People's Liberation Army," they should always side with the ordinary people and support their struggle for freedom, democracy and well-being.

In conclusion, they stressed that the Chinese communist system is doomed to collapse. They urged mainland servicemen to stand up bravely against Peking authorities in order to turn a new page for the whole of China.

Military To Produce Locally Developed Fighters

*OW0509051990 Taipei International Service
in English 0200 GMT 4 Sep 90*

[Text] Sources close to the military have said that plans are under way to speed up production of locally developed indigenous defensive fighters [IDF], beginning in 1991, to ensure air-defense power in Taiwan. Several civilian engineers and scientists who helped develop the prototype fighter also confirmed the plans on the Armed Forces Day on Monday.

Originally, it was planned that production of the aircraft will start at the end of next year, but a series of supersonic tests and various flight tests proved very satisfactory, and therefore the decision makers agree to move up production plans.

The IDF is described by military and civil aviation specialists as equally competent as the U.S.-manufactured F-16.

Economics Ministry To Assist Mainland Investment

*OW0509042390 Taipei CNA in English 0302 GMT
5 Sep 90*

[Text] Taipei, Sept. 5 (CNA)—The Ministry of Economic Affairs, as part of its new mainland investment policy, plans to assist local enterprises jointly develop industrial zones on the mainland.

Vice Economics Minister P.K. Chiang hailed Tuesday the joint efforts of Taiwan toy manufacturers to invest together on the mainland, saying that it would definitely give them a greater say in their negotiations with mainland authorities.

The ministry has listed 3,319 fields in which Taiwan enterprises can invest indirectly on the communist-ruled China mainland.

In order to guide those enterprises planning to invest on the mainland, Chiang said his ministry would adopt a two-pronged strategy.

The Investment Commission of the Economics Ministry will be responsible for screening investment applications while the Industrial Development and Investment Center and the Board of Foreign Trade will jointly sponsor seminars providing interested investors with up-to-date information.

Economics Ministry Plans Mainland Food Imports

*OW0109032890 Taipei CNA in English 0253 GMT
1 Sep 90*

[Text] Taipei, Sept. 1 (CNA)—The Ministry of Economic Affairs has plans to import fruits and vegetables indirectly from the China mainland in order to bring down skyrocketing local prices.

Taipei consumer prices rose by 8.75 percent in the fourth week of August, due primarily to serious typhoon

damage to fruit and vegetable farms that caused prices for locally grown fruits and vegetables to triple.

The Economics Ministry is also working to half the 50 percent tariffs imposed on imported fruits and vegetables.

Institute Discovers New Plating Technology

*OW0509040790 Taipei CNA in English 0305 GMT
5 Sep 90*

[Text] Taipei, Sept. 5 (CNA)—A research institution in the Republic of China has successfully developed a new plating technology which is expected to boost the country's material technology.

The titanium nitrogen plating technology developed by the Nuclear Energy Research Institute of the Atomic Energy Council [AEC] should raise the quality, performance, and value of domestic materials, Ai Chi-feng, a researcher at the institute said Tuesday.

Materials processed with titanium nitrogen plating would be 10 times as hard as stainless steel and highly resistant to erosion and rubbing, Ai said. Machine tools plated with titanium nitrogen could be used six times longer than conventional tools, he added.

Moreover, the processed products would have a golden gloss that would never fade, Ai said, and would increase the products' value.

The technology, developed by the AEC's Nuclear Energy Research Institute completely on its own, has already reached maturity and could be transferred to domestic manufacturers at any time, he said.

Titanium nitrogen could be applied to not only industrial products but also to consumer goods, Ai noted. Even though the process would raise production costs, it should be economically efficient in the long run because it could ensure better product quality.

Yugoslavia Participates in Taipei Import Fair

*OW0309203390 Taipei CNA in English 1506 GMT
3 Sep 90*

[Text] Taipei, Sept. 3 (CNA)—The Yugoslav mission to the 1990 Taipei import fair attracted many businessmen to a symposium on the Yugoslav economy at the Taipei World Trade Center Monday.

Mljana Vljacoviz, head of the Far East Department of the Yugoslav Chamber of Industry and Trade, said that Yugoslav foreign trade in 1989 grew 9.4 percent over the previous year. She added that her country's exports in the first half of 1990 reached eight billion US dollars, up 3 percent from the same period of 1989, and imports stood at 6.9 billion US dollars, up 31 percent.

Vljacoviz explained that it [words indistinct] first time Yugoslavia to seek admission to the Taipei import fair, which opened on Aug. 30. Yugoslav items on display

include chemical and medical equipment, steel and aluminum products, crystal, carpets, and other consumer products.

Vlajcovic hoped that Yugoslavia could establish closer economic and trade ties with the Republic of China.

Trade Relations With FRG To Be Boosted

*OW0509040590 Taipei CNA in English 1009 GMT
4 Sep 90*

[Text] Taipei, Sept. 4 (CNA)—Trade relations between the Republic of China and Germany are expected to be further enhanced as Mayor Klaus Bungert of Duesseldorf is leading an eight-member economic and trade mission here Wednesday for a seminar designed to promote trade channels between the two nations.

Bungert will officiate at the seminar, dubbed "European Domestic Market 1993—Opportunities and Possibilities for Taiwan Companies," to be opened Sept. 7 at the Grand Hyatt Hotel in Taipei.

During the seminar, Gert Rabbow, deputy director of the German Trade Office in Taipei, will speak on Sino-German trade relations.

Bolo Mayweg, city manager of Duesseldorf, will address the seminar on "City of Duesseldorf—location for the Taiwan business in Europe."

Udo Siepmann, managing director of the Chamber of Commerce and Industry in Duesseldorf, will analyze conditions and opportunities in the European domestic market and Claus Groth, chairman of the Duesseldorf International Trade Fairs, will introduce to Taiwan businessmen trade fairs in Duesseldorf.

Duesseldorf, a major economic and commercial center in West Germany, serves as a bridgehead for Taiwan businessmen to expand markets in Germany and Europe. Currently, there are some 50 Taiwan companies maintaining offices or outlets in Duesseldorf.

Mayor Bungert and his party will stay in Taipei until Sept. 9.

Cooperation Prospects With Singapore Viewed

*OW0309050490 Taipei CNA in English 0248 GMT
3 Sep 90*

[Text] Taipei, Sept. 3 (CNA)—Cooperation between the Republic of China and Singapore was promising and had great potential as both countries worked to promote trade and investment in third countries, Liu Si-wei, director of the Far East Trade Service, Singapore office, said here Sunday.

Liu noted that the Republic of China's Copam Electronics Corp., Singapore's state-owned Intraco Trading Company and a leading Soviet electronics company, formed a multinational joint venture last month in Singapore. The joint venture is expected to play a role in

promoting Taiwan-made electronic products in Soviet and East European markets, Liu said.

He added that a business conglomerate from Taiwan was cooperating with firms in Singapore and the United States for acquisition of an American computer company.

This shows, Liu claimed, that trade and economic relations between the Republic of China and Singapore were being strengthened for mutual benefits.

East European Academics Attend Taipei Meeting

*OW0309203090 Taipei CNA in English 1545 GMT
3 Sep 90*

[Text] Taipei, Sept. 3 (CNA)—The Republic of China [ROC] Government is confident and determined to make big strides forward in bettering Sino-European relations, Foreign Minister Fredrick Chien declared Monday at the opening ceremony of the seventh Sino-European conference.

Chien added that there is ample room for the Republic of China to further develop trade and economic relations and to strengthen scientific and technological exchanges with East European nations.

More than [figure indistinct] foreign academics from such European countries as Czechoslovakia, East Germany, Hungary, Yugoslavia and the Netherlands are participating in the international meeting.

Chien said that under the principles of reciprocity and mutual benefit, trade relations have been enhanced, sea and air transport links expanded, visa procedures simplified, and exchanges of visits by officials strengthened between the Republic of China and European nations.

With the 1992 integration of the European Economic Community into a single market and the East European movement toward democratic politics and market economies, Chien said that the Republic of China hopes to further expand substantive relations with the European countries.

Chang [name indistinct], president of the national Chengchi University observed that ideological differences made the expansion of academic relations between the Republic of China and East European countries relatively difficult in the past. The participation of East European academics in the Taipei meeting was thus of great significance.

Dr. Gottfried-Karl Kindermann, director of the Center for International Politics at the University of Munich, noted that Europeans are looking with great interest the Republic of China's political democratization and civil contact between both sides of the Taiwan Straits.

The conference with the theme on "Whither Communism" will conclude on Sept. 5.

WEN WEI PO Personnel Reshuffle Continues

*HK0409082590 Hong Kong SOUTH CHINA
MORNING POST in English 4 Sep 90 p 7*

[Text] A personnel reshuffle after the sacking last year of the former editor of the left-wing WEN WEI PO, Lee Tze-chung, is continuing.

Despite an apparently amicable relationship between mainland officials and the veteran journalist recently, informed sources say his son-in-law, Mr Zhao Ruzhuang, has been recently transferred to an insignificant posting.

Formerly head of the translating department, Mr Zhao was told he would be responsible for "morning duties" in the translation section, a job described as existing only in name.

Earlier this year, the management headed by the former vice-director of the NEW CHINA NEWS AGENCY (NCNA), Mr Zhao to the publication department. But Mr Zhao rejected this.

It is widely believed that another staff member, Lau Ruishao, the former Beijing Bureau chief of WEN WEI PO, will soon be the next victim.

Lau has been transferred back to the Hong Kong headquarters and given menial jobs in the office since his removal from the Beijing Bureau in June last year.

Lau will soon publish a book about the June 4 crackdown in Tiananmen Square. The book was jointly written by Lau and some 20 local journalists.

Presence of DPRK Agents in Hong Kong Viewed

*HK0409032790 Hong Kong SOUTH CHINA
MORNING POST in English 29 Aug 90 p 5*

[By Barry Grindrod]

[Text] There could be as many as 70 or 80 North Koreans working in Hong Kong on forged documents, a high-level source told the SOUTH CHINA MORNING POST yesterday.

Most are believed to be working for mainland China companies and have false Hong Kong ID cards acquired in Macao.

Although there is no ban on visitors from communist bloc countries, visa applications from North Koreans would almost certainly be refused.

Yesterday's claim comes on the heels of a recent cloak-and-dagger scenario that reads like a Hollywood script.

A suspected North Korean spy, said to have shared a flat in Macao with a woman terrorist convicted in South Korea for her part in blowing up an airliner, applied for the return of his confiscated Hong Kong ID card.

The Hong Kong Government, after lengthy investigations around the world by Special Branch, objected strongly.

News of the in-camera hearing leaked out.

At a second hearing, the man, who had claimed he was a Chinese national who had fled to Hong Kong in the 1970s and won the right of abode under the "touch-base" policy, suddenly dropped his application.

The reason, sources have told the POST, was that the man was desperate to avoid further leaks which could have thrown more light on himself and the shady world of North Korean espionage in Macao—and its spillover into a sensitive Hong Kong.

The big question is: Why?

Furthermore, it begs the question: Just what is going on in Macao and how much do the authorities know about it?

The answer, say sources, is plenty and it's not very pretty.

Female terrorist Kim Hyun-hui, who was granted a special pardon in April this year after being sentenced to death for her part in blowing up a Seoul-bound KAL airliner killing all 115 people on board, has said she trained in espionage and sabotage in Macao and Guangzhou.

She travelled to Hong Kong on forged Japanese documents during her 18 months in the region.

The big plus for North Koreans travelling on forged documents such as a Hong Kong or Japanese passport is that it gives them access to South Korea and other non-communist countries.

The POST has been told that Kim was said at the time to be working as an amah for a Mr Chia, the man believed to have been at the centre of the recent application.

Mr Chia, it is believed, has lived in Macao for about 10 years. It is also believed that he has a flat in Hong Kong and at least one overseas.

A source in Macao who knows him says he is well known to senior people in the Macao Government and to the North Korean community but generally keeps a low profile.

A spokeswoman for the government said there are about 40 Koreans in Macao, of whom "20 to 25" are from the North. The North Koreans run a handful of trading companies and a pharmacy.

"Like anybody else they have to apply for work visas and are answerable to the laws of the land," said the government spokeswoman.

However, a South Korean journalist based in Hong Kong says there is little trading going on. A former Macao Government employee and journalists we spoke to in Macao agreed.

Sources say there are likely to be as many as 200 North Koreans working in Macao but the vast majority will be carrying Chinese documents.

"They come and go at will across the border. There is a gentleman's agreement, they do not have to apply for anything," said a source.

China is North Korea's closest ally and the Pyongyang government has links with a number of major companies in Guangzhou.

"There is another reason why Macao does not want it known that there are too many North Koreans in the enclave," said the source.

"Portugal does not recognise North Korea and if there were too many North Koreans in Macao it would start asking questions."

It is no secret that both South Korea and Hong Kong are known to be nervous about the presence of North Koreans in Macao. The relaxed atmosphere in the enclave allows agents to carry on their work in strict secrecy.

A number of incidents other than the sabotage of the airliner have been linked to the North Koreans in Macao including gun-running, assassination plots against heads of state and murder.

Four years ago the decapitated bodies of four South Koreans, said to have been in Macao to investigate reports of a North Korean plot to assassinate the then president, were washed up in the enclave. A news embargo was slapped on the incident by the Macao Government.

It was believed the North Koreans heard about the investigation and ambushed the group killing them in a room above a trading company in town before dumping their bodies at sea.

Seoul has also been on record in the past as saying it believes the 1983 bomb attack in Rangoon in which 17 South Koreans were killed was planned in Macao.

An Immigration Department spokesman said yesterday she was unaware of any reports of North Koreans having infiltrated into Hong Kong.

"It would be a very serious offence and one making them liable to an immediate jail sentence of 12 to 18 months.

"Although there is no total ban, the North Koreans would be required to apply for a visa from the nearest British visa post or embassy.

"It would then be referred to Hong Kong where-upon it would take six to eight weeks for a decision to be

reached. The main consideration would be if the individual's visit would benefit Hong Kong.

Hong Kong Brain Drain Estimate Raised

HK0409083390 Hong Kong SOUTH CHINA
MORNING POST in English 4 Sep 90 p 3

[By Fanny Wong]

[Text] The brain drain is getting worse with the government having to revise its estimate of the number of people expected to leave the territory this year to a record 62,000.

The figure released by deputy government information co-ordinator, Mr Mike Rowse, yesterday is 7,000, or 13 percent, higher than the preliminary prediction made last year.

It represents a rise of almost 50 percent on the 42,000 Hong Kong Chinese who left the territory in 1989.

And the numbers are expected to remain high with 58,000 expected to emigrate next year, despite the fact that the British nationality package will be in place.

This would mean the territory losing about 240,000 people, exceeding the 225,000 who will benefit from the British package, in the five years up to the end of 1991.

In 1988, 45,800 people joined the brain drain, with 30,000 in 1987.

Mr Rowse said: "We certainly don't welcome a bigger outflow on this scale, neither do we welcome the fact that so many of them are our well-qualified professionals. This must be a matter of regret for us."

Of the 62,000, 14,500, come under the professional and managerial sectors, which Mr Rowse said was "bad, but it is not a disaster".

The head of the government's brain drain task force said that the top three destination countries were the same as last year, but declined to divulge the numbers for individual states.

Leading the race was Canada, while Australia had overtaken the United States to become the second most favoured destination and Singapore and New Zealand were running fourth and fifth respectively, Mr Rowse said.

He added that this year's figure had been revised because of the aftermath of June 4 and the relaxation of Australia's immigration points system.

"In the aftermath of June 4, some countries made special efforts to deal with the flood of applications which ensued, resulting in a higher than expected number of visas being issued in the first half of this year, which will result in an increase in the number of people leaving in the second half of the year," Mr Rowse said.

Mr Rowse expected emigration to level out at about the 60,000 mark.

He also expected the British nationality package and similar schemes offered by Singapore and France to start to have a moderating effect on the brain drain towards the end of the year.

Once the passports were being issued, the beneficiaries would have a choice and it was hoped that they might be less inclined to apply to emigrate, Mr Rowse said.

In the light of China's persistent opposition to the British scheme, it was hoped Britain will be able to convince Beijing of the need of the package once its impact had been felt, Mr Rowse said.

"All we can do is to continue to explain our position to the Chinese side."

He said that one of the most important effects of the British package would be psychological.

"If many thousands of professionals, administrators and managers are perceived to be remaining in Hong Kong ... then the first effect is the psychological one—to boost morale," Mr Rowse said.

At the moment, he said that the exodus was made up of a disproportionate number of educated and well-qualified people.

"I would hope to see the proportion of those people gradually being reduced and I would hope also to see an actual fall in the number, but that may be further down the road."

To fill the gap left by emigrants, Mr Rowse said that in the short-term, it was hoped that emigrants would return and the government's overseas public relations effort had been stepped up, partly to achieve that objective.

Guangdong Pledges Full Support for New Airport

HK3108030590 Hong Kong HONGKONG STANDARD
in English 31 Aug 90 p 1

[By Terry Cheng and Stanley Leung]

[Text] Guangdong has pledged full support for Hong Kong's new airport with the territory's promise that the province will benefit from supplying labour and materials.

The positive attitude somewhat contradicts Beijing's qualified approval of the HK\$127 billion project.

Informed sources in Guangdong said the "full support" was given about three months ago after officials of the province's planning commission met Hong Kong Government officials in charge of the new airport's construction.

It is understood the Hong Kong side promised to use Guangdong construction materials, notably sand, and labour. One estimate says 12,000 Guangdong workers may be needed.

Guangdong's pledge for support may have led the Hong Kong Government to draw conclusions that the Chinese Government is committed to the project. But this has been categorically denied by officials of the Hong Kong branch of XINHUA News Agency.

China's study of the airport's feasibility, especially financial aspects, was jointly carried out in Beijing and Guangdong.

A pro-Beijing legislator, Ho Sai-chu, has warned that the government may have to bear a higher cost of financing the new airport if Beijing remains uncommitted on the project early next year.

Mr Ho, also a member of the Provisional Airport Authority, told a lunch meeting yesterday that there will be problems if Beijing is still undecided on the project early next year when the first airport contracts are tendered.

Beijing's indecision, at that time, may also discourage investors from pumping in money because of higher risks involved, he said.

Mr Ho added: "Beijing has confirmed the need to build a new airport although more consideration should be given to such issues as the location and financing of the project."

He believes China and Hong Kong will eventually reach consensus but doubted reported calculations that the total cost of the airport and port development will be as high as \$300 billion by 1997.

Legislative Councillor accountant Peter Wong Hong-yuen, has estimated that the original price tag of \$127 billion will be more than double by 1997 after taking into account of inflation in the next seven years.

Guangzhou Seeks Joint Projects To Fight Pollution

HK0409031990 Hong Kong HONGKONG STANDARD
in English 1 Sep 90 p 10

[Text] Authorities in Guangzhou are seeking joint projects to fight pollution with research and academic institutes in Hong Kong.

Gan Haizhang, deputy director of the Guangzhou Municipal Bureau of Environmental Protection, said that the city authorities were planning to widen exchanges and cooperation with Hong Kong and launch joint projects against pollution.

Mr Gan, on a one-week visit to the territory, is attending the international conference entitled, China and Hong Kong at a Crossroads—Prospects for the 21st Century, organized by the Hong Kong Baptist College.

Mr Gan is here with his colleague, Wu Zhengqi, chief engineer of the Guangzhou Environmental Monitoring Centre.

Mr Gan said one of his missions in Hong Kong was to open liaison work with academic institutes and to seek joint research projects on environmental protection.

"Our visit to Hong Kong will serve as the starting point for an expansion of cooperation between Guangzhou and Hong Kong in studies on environmental protection," he said.

Mr Gan said the Guangzhou Research Institute of Environmental Protection and the Guangzhou Environmental Monitoring Centre had cooperated with the Hong Kong Baptist College and the Hong Kong City Polytechnic in a project in May.

"During my visit, I'll meet environmental protection specialists from the University of Hong Kong, Hong Kong Polytechnic and Hong Kong City Polytechnic to discuss cooperation possibilities," he said.

Mr Gan said he and Mr Wu would also hold discussions with officials of the Environmental Protection Department to exchange views on the protection of water resources in the territory and in Guangzhou.

"Guangzhou usually faces the problem of water pollution around November and December every year when the dry season comes. That's why we hope to exchange

experience with the Hong Kong authorities on methods to fight water pollution," he said.

"We hope the rich financial resources and information in Hong Kong will benefit our environmental protection research projects."

Mr Gan said the Hong Kong Government had made reference to the environmental protection policies and measures on the mainland, in formulating its programmes in Hong Kong.

"The Guangzhou municipal government launched environmental protection programmes in 1972 and we have accumulated abundant experience in legislation and policy-making," he said.

"We have imposed strict controls on enterprises and factories.

"We have formulated sufficient laws and regulations to ensure environmental protection in the course of our opening to the West over the past years," he said.

"The Hong Kong authorities can learn from our experience... among enterprises through the formulation of strict regulations and imposition of heavy fines," he said.

Mr Gan said his bureau had organized an exchange programme with the Hong Kong Government and the Shanghai and Beijing municipal authorities in 1986 to discuss their experience in operating meteorological monitoring stations.

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